The COMMUNIST

VOL. VI. NO.

THE NEXT PRESIDENT OF MEXICO
Ella G. Wolfe

OLD PROBLEMS IN NEW FORMS
Max Bedacht

A PROGRAM FOR A PERIOD OF PROSPERITY
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PERSPECTIVES FOR OUR PARTY
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LITERATURE AND ECONOMICS
V. F. Calverton

BOOK REVIEWS, ETC., ETC.

JULY-AUGUST, 1927

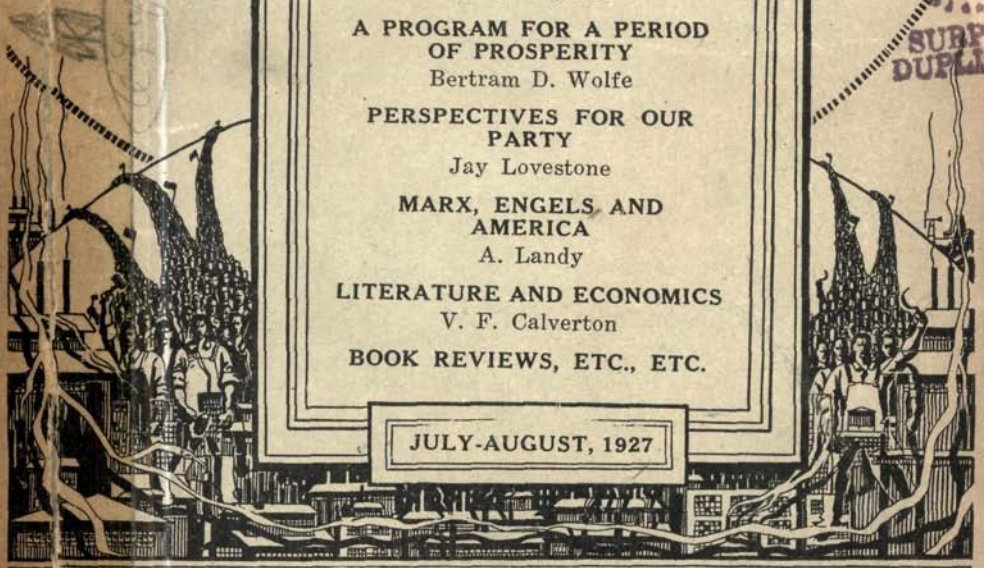

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Table of Contents

PAGE

THE NEXT PRESIDENT OF MEXICO.....259
By Ella G. Wolfe

OLD PROBLEMS IN NEW FORMS.....266
By Max Bedacht

A PROGRAM FOR THE PERIOD OF PROSPERITY.....275
By Bertram D. Wolfe

PERSPECTIVES FOR OUR PARTY.....287
By Jay Lovestone

MARX, ENGELS AND AMERICA.....295
By A. Landy

THE PROLETARIANIZATION OF A PROFESSION.....310
By Chas. P. Fletcher

LITERATURE AND ECONOMICS.....313
By V. F. Calverton

THE ECONOMICS OF THE COUPON CLIPPER.....319
A Review—By Bertram D. Wolfe

WAS MARX WRONG.....323
By Burn Starr

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"Rally to Build the Party"

The above drawing was made by Xavier Guerrero, member of the Central Executive Committee of the Communist Party of Mexico. The "P. C. M." stands for Partido Communista de Mexico.

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The Next President of Mexico

By ELLA G. WOLFE

DURING the past two decades the military chieftains of Mexico have been the decisive factor in the struggles for political power. Until only a few years ago the workers and peasants were unorganized; Mexico's middle class—hopelessly weak; and its aristocracy not given to struggle; so that the army represented the only well-knit, resolute and militant organization. And even that has never been a unified national army—but rather a number of groups built upon personal allegiance. Barring a few these military chieftains are the most unscrupulous and unprincipled group whose one purpose is loot. "The government becomes the first victim of this military system; its offices, its contracts, its concessions, are the spoils to be torn apart in the greedy claws of all the military underlings from lieutenant to general. The partial failure of every program of social reconstruction during the past 17 years must be laid in large part at the doors of the military clique, which largely remains a tool of... the Church, the Landed Aristocracy, and of American Big Business."

But slowly and almost imperceptibly this power has been steadily shifting from the military cliques to the awakening peasant masses. Families comprising thirteen million Mexicans (out of 15 million total population) make their living by agriculture. Up to very recently this vast mass has been the most downtrodden and exploited. The expropriation of their common lands by the Diaz regime left them in a state of hopeless wretchedness from which they are only now beginning to recover. Today, due to the untiring energy of a few agrarian leaders members of the Mexican Communist Party, over a million peasants from the most important agricultural states, have been united into the National League of Agrarian Communities. This organization is the vanguard of the other 12,000,000, and any political or armed movement which does not count with its support is a lost cause.

For over a year now Mexican politicians have been preparing for the next presidential elections—although they are still a year away. In Mexico long before election time hundreds of mushroom parties from all over the country—and as soon as the election is over and all the political patronage has been distributed they quietly fold their tents... until the next time.

The Candidates

Up to a few days ago the presidential nominations numbered six to eight possible candidates. Now, however, the atmosphere has been cleared and three leading candidates have emerged—all generals:

1.—General Serrano—Minister of war under ex-president Obregón and until a few weeks ago, Governor of the Federal District

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under Calles. He runs on an "anti-reelection platform." The original plan was to split the "no-reelection" forces by putting Serrano in the field. Serrano agreed to run as a straw candidate for Obregon. But apparently the possibility of snatching the presidency was too much for him and he broke his agreement. Now he is fighting for himself. Serrano lacks, at present, the backing of any strong social class in Mexico. He is supported by a small group in the army. Since he became governor of the Federal District he has acquired a reputation by maintaining secret gambling and drinking resorts and "high-class houses" for his military friends.

2.—**General Arnulfo Gómez**—In charge of military operations in the State of Vera Cruz; notorious for shooting down militant workers and peasants and for forcibly disarming the peasantry in his region. He sponsors the lost cause of the Catholic Church, defends the interests of the landed aristocracy, and is in the pay of the Doheny and Standard oil interests—Thus he has frankly declared himself the standard-bearer of the reaction.

3.—**General Alvaro Obregón**—Former president of Mexico. Although also a military man he has proven himself to be a rare exception to the average run of Mexican military chieftans. He has "shown himself capable of dominating the military machine and bending it to the social reconstruction of the country." His program is based on the desire to build a strong native bourgeoisie. He has the support of the petty bourgeoisie and part of the larger bourgeoisie. He is exceedingly popular with the major part of the army. For want of the necessary class political development to put their own candidate in the field, the organized peasantry and the Mexican Communist Party will support Obregon, as against the candidate of the reactionary forces, because he represents a more progressive tendency.

The Programs

A word of caution before going into detail on the programs of each of the candidates. Generally speaking, the programs of all political parties in the Latin-American countries are drawn up for the double purpose of confusing and misleading the masses of workers and peasants. And often the more reactionary a party or a leader, the more revolutionary the phraseology he uses. Especially is this true in Mexico where the country is rich and the spoils richer where the masses are largely armed and thru years of revolutions have become an active force. (It goes without saying, however, that from this indictment one excludes the programs of the Communist Parties and of the organizations under its control.)

1.—Serrano's Program:

General Serrano was nominated by the "National Revolutionary Party" (freshly founded for the occasion) in convention assembled at the end of May. The party adopted a program, the most important planks of which are as follows:

1.—Consolidation of the principles of the revolution (whatever that may mean.)

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2.—Defense of the principles of "No-reelection."

3.—Campaign to bring the concept of democracy to the popular understanding (hot air.)

4.—Liberty of conscience within the limits prescribed by the laws of the Republic.

5.—Liberty of press.

6.—Encouraging laws furthering national economic independence.

7.—Establishment of loan banks.

8.—Fulfillment of the agrarian promises of the revolution (how definite!)

9.—Fulfillment of the revolutionary labor program.

10.—Rapid education of the army elements; creation of a fleet of light cruisers for the protection of the coast.

11.—Promote close relation with foreign peoples, especially with those close to Mexico in race, history, and language. Respect for existing treaties.

Only the very special brand of Mexican military cynicism can broadcast such a program to the masses. Those who wrote and those who read know that this is nothing but a vote catching program intended to attract the workers and peasants, the petty bourgeoisie, the opponents of the Calles policy towards the Church and anybody else who can be caught.

2.—**Program of General Arnulfo Gómez:**

The "National No-Reelection Party" (also freshly founded for the occasion) met in Mexico City at the end of June—nominated Gómez as their candidate for the presidency and adopted the following program:

1.—Democratization of the government through honest suffrage, no-reelection, cabinet responsibility to parliament.

2.—Democratization of the army, creation of a general military staff; improvement of the physique and the education of the common soldier.

3.—Democratization of labor; creation of small property-owner; **no violent and unindemnified expropriation of the land.**

4.—**No retroactivity of the land and petroleum laws.**

5.—**Guarantees to foreign and native capital.**

At this convention, General Gómez, who is a staunch supporter of the Catholic Church, said that Mexicans should see that their fellow citizens were allowed absolute liberty in all affairs, and that "any restriction of liberty of thought, religion and the press is a crime." His program is a bid to the present Catholic opposition, to the army; his "no unindemnified expropriation of the land" swings behind him the landowners; and his "no retroactivity" of Article 27 of the constitution is bait to the American government and a promisory note to Doheny and Standard for the millions of cold cash already advanced. His program is frankly opposed to the interests of the workers and peasants.

3.—**Program of General Alvaro Obregón:**

Realizing that he will probably be Mexcio's next president

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Obregón is much more cautious in the formulation of his program. He makes no promises to any class or group. He issued a whole series of veiled implications based chiefly upon his past presidential record. These aim to reconcile the American government and the Mexican workers and peasants; the native petty bourgeoisie and "honest" American capital. No one better understands the utter impossibility of such reconciliation than the Mexican workers and peasants, and were it not for the fact that they have not developed their class organization sufficiently to have a candidate of their own, and were it not for the menace of the reactionary candidacy of Arnulfo Gomez, Obregon would not have the support of the masses.

In his manifesto he states that he bases his power:

First: on the peasants, because more lands were distributed under his administration than during any other.

Second: Upon the workers—whom he promises a satisfactory regulation of the labor code.

Third: The railroad workers, whose demands he says he always heeded. (This declaration has greatly offended the leaders of the Mexican Federation of Labor, (the CROM,) who have been trying all these years to smash this strong independent union.)

Fourth: The middle class. He goes on to say that he will uphold the Calles policy in the Church question and the position of the present administration on the petroleum and land laws. And

> "In so far as our policy toward the United States is concerned, we continue to maintain with energy the right which Mexico has as a sovereign state to give herself that legislation which best adjusts itself to the aims which this country is pursuing and to its interest without other limitation than that imposed on all states by international law.
>
> "We should be extremely cautious with regard to investments which the imperialist interests of Wall Street attempt to make in our territory but **give every facility compatible with our laws to industrial, commercial and agricultural interests which may wish to come from neighboring countries to cooperate with us in the development and exploitation of our natural resources.**"

In answer to this declaration there appeared a significant news item in the New York Times of July 7, stating that "Alvaro Obregón's candidacy for president is accepted by this government as forecasting better relations if Obregón is elected." The item also reminds Mexico that the pledges which were made by Obregón precedent to recognition of Mexico by the United States provided that the retroactive clause of Article 27 of the Mexican Constitution would not be applied against the United States.

The above unofficial statement of the American government's "gratification" at the candidacy of Obregón leads one to believe that Obregón has made some tacit promise on the petroleum and land laws. It is most likely that the Supreme Court will be induced to render a decision favorable to the American oil interests.

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The Mexican Labor Party a the Mexican Federation of Labor (ROM)

Strange as it may seem, the only groups that have not yet declared their attitude on the presidential candidates are the Mexican Federation of Labor and the Mexican Labor Party, both under the domination of Luis N. Morones, Minister of Industry, Commerce and Labor in the Calles cabinet. This does not, however, signify that the membership of these two organizations are unwilling to support Obregón as against Gomez. Nor does it indicate that they are banking on Serrano, the least likely of victory. Their decision has simply been postponed by Morones until September. One reason for the delay is the personal hostility between Obregon and Morones. Obregon is determined that Morones shall have as little additional power under his administration as possible, and Morones is determined to get as much out of Obregon as possible before he swings his two organizations into line.

The Role of the Mexican Communist Party

Small and scattered as the forces of the Mexican Party are no one who has worked with it will deny that it has done excellent work especially among the peasantry. To its efforts alone must be attributed the formation, strengthening and growth of the National League of Agrarian Communities with over a million members, affiliated with the Peasant International with headquarters in Moscow.

In the recent crises between the American and Mexican governments; between the Calles government and the Catholic opposition; the Party issued a manifesto which shows how fully it understands the principles and tactics of the Nationalist movements and the united front. The following are some of the most important provisions of the manifesto:

"In answer to the rebel Catholic reactionary bands in the Republic and in answer to a threat of a subsidized reactionary revolt, the Party declares the following:

"The refusal of the United States to renew the treaty regulating contraband is nothing but open aid to the enemies of the Calles government. Before the Calles administration there lie two roads—one leading to the left, towards the unification of the workers and peasants in an implacable fight against reaction—the other leading towards the right—towards political indecision, compromise, which sooner or later must inevitably lead to a union with the landowners and with foreign capital.

"Only through the complete expropriation of the land and its distribution among the peasants; only through the nationalization of large-scale industry can Mexico accomplish national reconstruction in favor of the large masses of workers and peasants.

"Today the immediate interest of the workers and peasants demands a close union between the proletariat and the petty-bourgeoisie in defense of the present government against the attacks of reaction and the threat of American intervention.

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"The Communist Party of Mexico calls upon all organizations independent and hostile to the CROM, upon all the locals of the National Peasants Leagues, upon all the workers and peasants organized within the CROM, upon the members of the Labor Party, upon all the workers and peasants in general wherever they may find themselves to form a united front in defense of the Calles government against the rising reaction. The success of reaction will mean the complete extermination of the workers and peasants movement and the liquidation of the 1917 Constitution. The Party issues the following slogan to all of the above groups: FORM DEFENSE COMMITTEES, in each factory, in each workshop, in all the locals of the League of Agrarian Communities, in each union, in each hamlet, in every city. WORKERS AND PEASANTS DEFENSE COMMITTEES AGAINST THE REACTION!"

In the present political confusion the Party attempts to simplify and clarify the issues for the workers and peasants on a class basis. It has made the following analysis:

The professional politicians are participating in the presidential campaign, some under the slogan of "Reelection" others under the slogan of "No-Reelection." Well-known reactionaries are entering the race under the phrase—"Defend the principles of the Revolution."

To pose the problem of the presidential succession under the slogans of "Re-Election" or "No-Reelection" is to confuse the masses of workers and peasants. They should know that all political struggle is the struggle of one class or another for power, or the struggle of one faction or another faction of the same class for power.

In Mexico there exists, generally speaking, the following three social groups:

1.—The landowners—united with American and British oil interests.

2.—The bourgeoisie and the petty-bourgeoisie.

3.—The masses of workers and peasants.

Consequently the political struggle, and with that the question of the presidential succession—signifies a struggle between the above three classes. The landowners, the bourgeoisie and the petty-bourgeoisie are the classes that dominate at present, while the proletariat, although constituting the overwhelming majority, has not yet succeeded in developing the political cohesion necessary to enter independently into the political struggle.

The representative of the reaction is General Arnulfo Gómez.

The representative of the national bourgeoisie is General Alvaro Obregón.

The large masses of workers and peasants instinctively understand that in comparison with Gómez, Obregón represents a more progressive tendency; and for that reason support him as against Gómez. That, however, does not signify that Obregón represents the interests of the workers and peasants. On the contrary, the more conscious workers know, that once in power, Obregón will defend the bourgeoisie against the proletariat. The workers and

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more advanced sections of the peasantry have no illusions about that. But these will support him in order to prevent the reaction from capturing power. At the same time the workers and peasants must begin to build an organization which will be able to represent and defend their own interests. They must begin to create their own political forces, with their own program, with a program based upon the class struggle. For such a step a united front is absolutely essential . . .

In answer to Obregón's recent manifesto the Mexican Communist Party issued the following statement:

"Obregón, leading military chieftain, represents the bourgeoisie and the petty bourgeoisie of Mexico. He represents the struggle of these classes against the feudal system and the financial and industrial hegemony of foreign capital. Obregón, yesterday military chieftain, is today the defender of the new national economy.

"The military problem of 1927, as in 1923, will be solved by the armed masses of peasants. The triumph of Obregón will terminate the struggle between reaction and liberalism, in favor of the young bourgeoisie.

"The program of Obregón is the program of national reconstruction—within the frame of capitalist production, but within a country constantly threatened by economic and military invasion of Yankee imperialism.

"In such a situation, the bourgeoisie, under pressure of American imperialism, must seek as allies the workers and peasants, if it is to preserve its power.

"We cannot realize national sovereignty without economic independence. The fundamental problem, then, is to solve the economic problem, which means the agrarian problem first, and secondly to develop a national industry to supply the needs of the agricultural masses.

"We esteem the words of General Obregón in his manifesto, against the imperialist interests of Wall Street, but we are convinced that the remedy proposed by him—to provide all kinds of facilities to industrial, commercial and agricultural interests of our neighboring country—in no way assures the 'definite consolidation of an autonomous and sovereign people' which Obregón claims as his aim.

"To create a socially independent economic basis—it is imperative to solve the AGRARIAN PROBLEM. In this respect the manifesto of Obregón promises little. He limits himself to reminding the peasants of what he did for them in the past but makes no promise for the future.

"The faith and confidence which the masses of workers and peasants have placed in the person of General Obregón, express the desire to unify all advanced and progressive forces in the country against the intrigues and the dangers of reaction—but at all times and under all circumstances, the workers must remember that the emancipation of the working class is the task of the workers themselves."

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Old Problems in New Forms

By MAX BEDACHT

THE problem of the proletarian revolution is the liquidation of all classes by means of a communist reconstruction of the productive machinery of society through a proletarian dictatorship. The general problem to be solved by the revolutionists may thus be formulated in comparatively simple terms. But when the task of **solving** it is approached then the simplicity of the general problem dissolves itself into intricacies and complications of a multitude of immediate problems. The secret of this metamorphosis lies not only in the obvious difference between stating a problem and solving it, but also and mostly in the constant flux in the relation of all social forces involved in the revolution. The only guide through the labyrinth of these changes is Marxism-Leninism.

There are first of all the subjective forces of the class struggle. Putting these forces into military terms we find that the armies drawn up against each other in the class war represent fairly well fixed interests: either those of the exploiters or those of the exploited. But the particular interests of the component parts of these armies are not so fixed. Their changing interests increase or decrease their ardor in the fight. They even cause them to shift, often temporarily, sometimes permanently, their allegiance from one army to another. Misconceived interests drive them into one camp, while growing consciousness of their real interests drives them into another.

Since the revolutionists, the communists, are the only conscious section of the army of the exploited, and therefore the only section able to direct and lead their army, they must always study the changing relations. They must exploit passing weaknesses of their opponent; they must make allies of temporarily disaffected sections of the opposing army; they must recruit constantly new forces for the army of the proletariat from the disillusioned workers who drift out of the exploiters camp; they must help in the disillusionment of the workers who are yet under the ban of capitalist ideology. The aim is to defeat the enemy; and the means to accomplish that aim is a continual strengthening, an ever accelerating activization, and an ever increasing purposfulness in the direction of the army of the working class.

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The methods by which this task can be accomplished are different at different stages of the class struggle and at different times. The methods change; but the problem remains basically the same. It is the fundamental error of the writer of an article in the magazine section of the DAILY WORKER of May 14 and 28 that he endeavors to prove that not only the conditions have changed, under which the communist in America are fighting today but their problem itself. The writer, comrade Zack, maintains, that fundamental changes have taken place in the class relations in America. Although professing ignorance about the basic facts of the change, and although maintaining that the American Communist Party is totally ignorant of these facts, yet he is ready with definite conclusions. He insists that the party must make a right about face, must abandon its work in the trade unions and turn toward the unorganized masses.

This conclusion presupposes, first, that in the past the party disregarded the unorganized masses, second, that the task set by the communists for their work in the trade unions is either accomplished or is impossible of accomplishment and must therefore be abandoned, and, third, that fundamental changes have taken place which were unforseen and the nature of which we do not as yet know.

The organized section of the American working class is more and more subjected to the task of playing the part of an auxiliary to the regular instruments of the American capitalists in their imperialist endeavors. What do the American communists know about this, asks comrade Zack? And his answer is short and terse: nothing. We grope in the dark, he says; we have no program and, what is more, we can have no program because of our ignorance about the facts involved in the change. In fact, there are several paragraphs in which comrade Zack confesses for himself and for the party utter ignorance of the most fundamental facts of the present situation.

Are the contentions of comrade Zack correct as far as the Communist Party is concerned? Most assuredly not. Comrade Zack takes the attitude of a blind man who supposes that his blindness is a universal phenomenon with which not only he but all mankind is afflicted.

We know not only abstractly about the existence of imperialism, but we also know the specific forms in which it

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manifests itself today, and in America. We know and see before us the daily proofs of the ever growing concentration of the productive forces into a smaller number of establishments with a continual increase of the constant capital, machinery etc. a parallel relative decrease of variable capital, labor, an ever increasing output per worker, and an ever increasing rate of profit. We see the agricultural masses in the grip of the "scissors;" we see the consequent permanent agricultural crisis. We see that the concentration of production is accompanied by a narrowing down of the controlling strata of capitalists. We see a parallel growth of consciousness in the direction of the affairs of the capitalist class. We see how this growing consciousness has in many instances changed the attitude of uncompromising enemity of the capitalists against the labor unions, with consequent attempts at their utter destruction, into attempts to preserve them as instruments of more intense exploitation of the unskilled and semi-skilled working masses. We see how this conscious drive of capitalism employs welfare schemes, company unionism, employers educational schemes for "his" workers, worker-employer cooperation etc. for the prevention of a growth of class consciousness among the workers and for the recruiting of allies out of the working class for the institution of more efficiency in production and a consequent intenser exploitation and higher profits. We see these things not in the abstract but very concretely. We have analyzed these phenomena again and again, not in the abstract but on the basis of their material manifestations. Much is yet to be learned to be sure; but it would be the opposite of realism to demand that the available forces of the party, so indispensible in the performance of the daily tasks of its active participation in the class struggle, should exchange, so to speak, the battle ax for the pen, the field of battle for the study-room, and should dissolve their battle formations to manufacture careful charts of all even minor facts of the class struggle, before entering the field of battle and engaging the enemy.

This contention is false, first, because our struggle is not only the **result,** but also the **source** of our knowledge. Second, because the present conditions are not fixed institutions for a certain period, after which new conditions will demand a new study, but the present conditions are the result of constant

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changes and are subject to further constant changes. We learned to know what is today because yesterday and the day before, and so on, we were engaged in our task and had to adapt our methods to the ever changing situation until we reached this day, and continue to do that till we reach another day with entirely different conditions and consequently entirely different methods.

It is true that the demands which the political struggle makes upon our forces leaves all too little time for a deeper study of the conditions surrounding us. Our movement is yet poor in forces to afford sufficient leisure to its leaders for such studies. But up to now we have always found sufficient forces to make such surveys and such studies as are indispensible for the establishment of correct policies to meet each situation. Much more material must yet be supplied for the propagandist and the agitator, and many proofs may yet be unearthed to bear out the contentions of our party upon which it bases its policies. But the studies supplying such material or such proofs will not and cannot change the basic conception and the basic orientation of the party, because **they are correct,** based as they are, upon a correct understanding of the present situation as well as a fairly comprehensive knowledge of all the facts of this situation.

For the gradual development of deeper studies of all the phenomena of capitalism we must rely upon the growth of our movement and the growth of the forces available for the party. Since conditions are not things fixed for certain periods, but are ever undergoing continuous changes, such studies cannot be periodical surveys, but must be continuous researches into the causes and the effects of the daily changes. Such researches are made today. They will be made more thorough with the growth of our forces and of our general understanding.

Now to comrade Zack's conclusions. Our problem has changed, says he. "The party is at the cross roads." Is it, really? According to this our party has, in the past, traveled a certain road, that of exclusive orientation toward the organized section of the working class. But now we have reached a point where a new road branches off: orientation toward the unorganized masses. This formulation is fundamentally wrong. It is wrong as description of the past orientation of the party. And it is certainly wrong as a formulation of our party's present problem. Our party, as all communist parties,

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is driving toward the winning of the whole working-class, organized and unorganized, for a militant class struggle. This task of winning the working class for a militant participation in the class struggle is accomplished by one method when it concerns itself with the organized masses of the workers, and by another when it concerns itself with the unorganized. The party has, and must have, its eyes always on the working class as a whole. It considers the work among the organized sections of the working class of tremendous importance because, on the whole, the organized sections represent a layer of the workers which, at least in practice, if not in theory, have recognized the necessity of united action of workers against the bosses, because the organized section of the workers are a guide and a leader of considerable portions of the unorganized, and because the organized workers already possess organizations which are real potential organs of struggle. Moreover, in America, a special importance attaches to the organized workers because they are primarily native born whereas the unorganized are so largely foreign. But all the importance the communists attach to the organized workers does not lead them to the folly of disregarding the unorganized. The question before our party never was and never will be: Shall we orientate toward the organized or toward the unorganized? Shall we concern ourselves with the one to the neglect of the other?

But, says our critics, if we "operate within the A. F. of L. —we must move to the right and work within the orbit of class collaboration—." This "means gradual abandonment of real militancy. . . " According to comrade Zack further concentration on work within the A. F. of L. by the communists even means a "probable degeneration of the left wing movement, if not of our party itself."

And why all these dire probabilities? For the reason that "the bureaucracy (of the A. F. of L.) has gone to the right, because it has itself surrendered to the might of corporate and imperialist capital in control of government, and the principal industries, and has gone into business thru banks, insurance companies etc. to profit financially by this very prosperity. . . ." Comrade Zack cannot see that, first, this is no new phenomenon though more pronounced today; second, his explanation for it is in reality only a description of the

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phenomenon which explains nothing; third, this phenomenon is no reason for the communists to abandon, or even diminish their work, on the contrary, they must intensify their work among the organized sections of the workers.

"Funny and childishly nonsensical appears to us the important, learned and awesome revolutionary disquisition of the German 'Left' as to why Communists cannot and should not work in reactionary trade unions," said Lenin in his "Infantile Sickness of Leftism." Comrade Zack's attempt to speed up the development of communism in America by abandoning, or at least considerably diminishing the work in the trade unions and by turning to the "easier" and "more promising" task of forming new unions, is, according to Lenin "an attempt to precipitate . . . a thoroughly developed, stable and completely matured communism" which is "like trying to make a four year old girl a mother." And Lenin goes on to give the wise but not yet sufficiently accepted counsel that "we can and must begin to build Socialism not with the human material created by our imagination, but out of the material left us by capitalism. This no doubt, is very "difficult," but every other way of tackling the problem is not to be discussed seriously." To abandon our work in the trade unions because of the reactionary and counter-revolutionary heads of the trade unions is characterized by Lenin as "an unpardonable blunder which results in the communists rendering the greatest service to the bourgeoisie. Not to work within reactionary trade unions means to leave the backward or insufficiently developed working masses to the influence of reactionary leaders, agents of the bourgeoisie, labor aristocrats or 'bourgeoisified' workmen."

Now comrade Zack can raise two arguments against our reasoning or against Lenin's Hammer blows. He may claim that he never advocated abandonment of our work in the trade unions. But when he sees in the work of the communists in the A. F. of L. the danger of a probable degeneration of the party he makes out a case against all communist work in the unions although he does not dare to draw the logical conclusion from his "proof" by a demand that the communists leave the union altogether. Or comrade Zack may claim that when Lenin argued with the German lefts the unions had not yet degenerated so completely into tools of imperialism as

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they are today in America. But even if that were so, the fundamental contention of Leninism would still stand, "that the abandoning of our work within the trade unions results in the communists rendering the greatest service to the bourgeoisie." And even the slackening of our work in the trade unions is a step in that direction.

However, the very contention, that the American trade unions at present are lost positions for the communists is, first, a defeatist position, and second, the outgrowth of a lack of understanding of social development. Comrade Zack cannot understand, that today is the child of yesterday and that, therefore, today is not fundamentally different from yesterday though things that existed only in dim outlines yesterday may be very well defined today, and what was clear yesterday may be dimmed by the development of today. The reaction in the trade unions, which creates the fear of degeneration of the party in comrade Zack, if the party does not leave them alone, this reaction is not a product of 1926 or 1927. The theses of the Second World Congress of the Communist International, adopted in summer 1920, has this to say about it:

"The trade unions, created by the working class during the period of peaceful development of capitalism, were organizations of the workers for the struggle for the increase of the price of labor on the labor market, and the improvement of labor conditions. . . . . containing chiefly the skilled workmen, the better paid, limited by their craft narrowmindedness, fettered by a bureaucratic apparatus which had removed itself from the masses, demoralized by their opportunist leaders, the labor unions betrayed not only the Social Revolution, but even also the struggle for the improvement of the conditions of life of the workmen organized by them. They started from the point of view of the trade unions struggle against the employers and replaced it by the program of an amiable agreement with the capitalists at any cost . . . . .

". . . . The old trade union aristocracy is even now intensifying its efforts to replace the strike methods, which are ever more and more acquiring the character of revolutionary warfare between the bourgeoisie and the proletariat, by the policy of arrangements with the capitalists, the policy of long term contracts which have lost all sense simply in view of the constant insane rise of prices, it tries to force upon the workers

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the policy of "joint industrial councils," and to impede legally, the leading of strikes with the assistance of the capitalist state."

Does this characterization of the unions of 1920 differ from the characteristics of the American trade unions of today? Not in any essential. Worker-employer cooperation, Cooperation of reactionary Woll-Greens with the police to break strikes, in short all the things that make comrade Zack indignant about the American trade unions of today, is here said of the unions of 1920. The abandonment or even temporary shelving of trade union work by the communists is still a service to the bourgeoisie.

But what about the unorganized masses? The work among the unorganized masses need not in the least be neglected because of a continued activity of the communists in the trade unions. On the contrary. A very large portion of the work within the existing unions must have as its object the creation of better possibilities to work among the unorganized masses and to organize them. And a large part of the work among the organized consist of radicalizing the trade unions by bringing the unskilled unorganized into them. The task is not to abandon the one in favor of the other, but to complement the one by the other.

The outstanding characteristic of the hour is the conscious efforts of capitalism and the capitalist class to make the trade unions instruments in their hands. The reactionary bureaucracy is consciously supporting this aim. The communists must fight capitalism within the unions by recruiting all forces possible to thwart their efforts. The trade unions are an important front on which the capitalists fight for the ideological control over the working class. The communists must carry on their fight on this front or convict themselves of the crime of abandoning the organized workers to the capitalists. A natural antidote to the endeavors of capitalism and the reactionary bureaucracy is the development of the unions into proletarian mass organizations. Real mass unions do not lend themselves so easily to the aims of the bosses. The recruiting of the unorganized masses **not against** the unions, **but for the unions,** against the reactionary bureaucracy, becomes the aim. The organization of the unorganized is not a haven into which we flee from our abandoned struggle in the unions, but it is

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a task through which we make our work in the trade unions more fruitful. On the other must it be our work in the trade unions which will enable us to tackle the task of organizing the unorganized. It is sheer utopia to expect that our party, after giving up its job in the unions with a resigned "it cannot be done," should suddenly muster the strength and the ability to appear successfully as the organizer of the 90% of unorganized workers in America into trade unions. To propagate this utopia is not finding a new task for the party, but abandoning an old one.

The organization of the unorganized is a tremendous task and we Communists must play a decisive role in this work. However we do not take over this work because we have made a failure of our task in the trade unions, we take it over by increasing our activities in the existing unions, by forcing them into the work of organizing the unorganized, by preparing the unorganized for organization, by blending our work within the unions and among the unorganized for a paralell organization of the unorganized and a defeat of the reactionary bureaucrats through transformation of the craft unions into mass unions.

This is not a new problem for us. It was our problem of yesterday; it will be our problem of tomorrow. It is part of the problem which makes us fight for a Labor Party. It is the problem of the creation of some ideological homogeneity in the American working class. It is the problem of breaking down the divisions inside the American working class. It is the problem of helping in the ideological creation of the American working class. The solution of this problem may have been made temorarily more difficult than it was a year or more ago. The conditions under which we must solve this problem may be, and undoubtedly are, quite different today from what they were a few years ago. But the problem is still the same. There are no crossroads on which we abandon old and pick up new problems of a fundamental character. To win leadership over the working class, the organized as well as the unorganized, that is our aim, that is still our problem. We will and can solve it in spite of all difficulties.

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A Program for the Period of Prosperity

By BERTRAM D. WOLFE

Editor's Note: The address printed below is a contribution to a symposium discussion in which the other discussion leaders were Morris Hilquit of the Socialist Party and Hugh Frayne of the A. F. of L. as part of a general discussion of "Prosperity and its Problems" at the 13th Annual Conference of the League for Industrial Democracy.

Mr. Chairman and Friends: The problem of how the American labor movement shall formulate its program in a period of prosperity is not a new problem. Indeed prosperity is not a new "problem" in America. Thanks to the boundless natural resources, the vast extent of virgin land, the splendid means of communication, the relative lack of such political fetters as feudalism laid upon the development of European production—all these made possible the tremendous development of wealth, and wealth production which have characterized American economic development. Consequently, till the very threshold of the 20th Century American economic relationships were characterized by a lack of class fixity, with a consequent lack of class consciousness. Classes in America flowed with relative freedom into each other, and the "self-made man" was common enough to become a symbol of American economic life. These conditions not only prevented the development of class consciousness, but they tended also to drain the American labor movement of its natural leaders, for the most discontented, most capable, and most energetic elements might always solve the problems of economic oppression and dissatisfaction on a personal basis by escaping from their class. These things along with other factors that I cannot mention here tend to explain the individualism, the lack of class consciousness, the acceptance of capitalism and the political backwardness of the American working class.

"Prosperity," as I said before, is no new problem in relation to its effect upon the American labor movement. What is new, however, is the form of the present so-called prosperity wave. Near the beginning of the 20th Century came the tremendous development of American monopoly, and that rapid change in American economy which converted it in less than a generation from a debtor nation to the foremost creditor nation of the world. During the same period it was converted

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from a producer and exporter of raw materials, primarily agricultural, to an exporter of manufactured products and capital. Simultaneously came a parallel political development from a relatively decentralized federalism with a comparative absence of bureaucracy to a highly centralized government with a highly developed bureaucracy. And, finally, came the development of the United States into the dominant economic world power.

At the beginning of the 20th Century a far-seeing banker declared, "America has long been the world's granary. It must now become the world's workshop and the world's clearing house." This audacious vision was fulfilled within a generation. While the war has tremendously accelerated this development, it was taking place before the war began and the change in acceleration meant no fundamental change in direction.

The trend of American capitalism is still upward. The recent figures for the annual export of capital show that the billion mark maintained since the years immediately after the close of the war has been left behind during the last two years. The present investment abroad is estimated as 13 billions, without counting the war debt. And payments of interest and other revenues involved already make the annual receipts total to a billion a year from outside debts. The recent increases in productivity are another amazing evidence of the continued upward trend of American economy, as is the epidemic of mergers in every field which has occurred during the last two years. The colonial resources of the United States are relatively untapped. Productivity has by no means reached its maximum. America has not developed anything like its potential military strength and its financial power is also not near the limit of its potential development. (I do not speak here of the counter tendencies and weak sides of American economy.)

All this has brought with it a tremendous growth in the political power of the American capitalist class and a shift in the relative strength of different sections of that class. There is a struggle going on between industrial and financial capital for supremacy, and while the struggle is by no means over, the ultimate issue is clear. As recent instances of the continued growth in power of American capital, I need only refer to

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such measures as the McFadden Banking Bill passed by the last Congress. This bill not only perpetuates the Federal Reserve but extends it to control of state banking and lays the basis for its becoming an international Federal Reserve banking system.

Other instances of the growing power of American capital are furnished by the successful shifting of the burden of taxation from big business (the realization of the Mellon plan), the growing alacrity with which the State Department responds to the financial interests of Wall Street in Nicaragua, Mexico, and China, the termination of the "muck-racking" and "trust-busting" era, and the putting of the government, to use the words of Mr. Coolidge, "at the service of legitimate business."

As a natural result of this tremendous growth in the concentration of industry, the centralization of capital and its political power, has come a corresponding growth in the centralization of government. The Civil War dealt the first serious blow at the decentralized federal system and the world war with its national control of railroads, coal, food, and thought, finished the business. The process that began with the appointment of such bodies as the Interstate Commerce Commission culminated in the world war period and has been perpetuated since. Today, it is estimated that for every eleven gainfully employed persons in the United States one is living on the public payroll, national, state or local, and 75,000 at least have been added to the federal payroll since Coolidge became president of the country. Of the growing power of the president I need not speak here, except to point out that he has virtually taken the treaty-making power out of the hands of the Senate and the appropriation power through his budget and tariff commissions out of the hands of the House of Representatives. The war-making power he has appropriated by the simple process of not having war declared and sending troops to invade various nations of the world for "peaceful" purposes.

This tremendous governmental apparatus has not only increased the tax burdens of the American people at the same time that the incidence of taxation was lifted from the backs of the very rich, but it has been used increasingly at the direct command of big business, at home as well as abroad. Thus

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during the strike wave of 1922, the National Guard was called out in 15 states. Under a Democratic President, a division of the United States Army under Major General Leonard Wood was sent into Gary, Indiana, to smash the Steel Strike, and under a Republican President a similar army division was sent against those "enemies" of the American people, the coal miners of West Virginia, when they tried to organize a union. Recent Congresses have made no pretense at passing a single legislative measure of value to the workers of the United States, and such measures as the Clayton Act once hailed as victories have been turned into defeats. The courts with their criminal syndicalist verdicts, their injunctions against picketing and striking, and the like, have become open instruments of the employing class. One need only cite the recent decisions in the case of the stone-cutters of Indiana, in the case of the milk-wagon drivers of Massachusetts, and in the case of the Anita Whitney trial in California, and the Sacco-Vanzetti decision in the Massachusetts Supreme Court, to show how far the courts have gone in putting themselves directly at the service of the employers.

The so-called prosperity of America has thus increased tremendously the political power of American capital and its capacity for assuming an offensive against the American labor movement. At the same time it has greatly weakened the resistance power of the American labor movement itself.

I do not say this because I am a believer in the bunk peddled by such economists as Professor Carver who believes that the fruits of prosperity are so widely distributed that they are engendering a classless economic revolution in the United States whereby the capacity for struggle of the American working class is being weakened by the fact that it is becoming capitalist. On the contrary, the American working class is being weakened very largely by the opposite phenomenon, namely, that the fruits of American prosperity are not being generally distributed, but are remaining in the hands of a few powerful combinations of capital thus increasing their power relatively to that of the working class. And by the further fact that such little crumbs as fall from the over-crammed fists of big business fall only to a small specially privileged section of the American working class, and thereby weaken it by creating divisions within it. In this period of "prosperity"

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the rift between skilled and unskilled has broadened until even our none-too-gifted president is able to see and forced to mention the fact that "the unskilled are not sharing in our national prosperity." Wages of the American workers at the present moment range all the way from a wage of 40 to 60 dollars and more for certain highly-skilled and well-organized and diminutive sections of the American working class to wages of 10 to 20 dollars a week for textile workers, and other unskilled and unorganized sections of the working class. The Carvers and other prosperity hypnotists begin their process by self-hypnotism which is achieved by gazing fixedly at the limited number of privileged workers until they are oblivious of the crisis in the textile industry, the crisis in the shoe industry, the condition of the eight or ten million factory workers of which only 9% are organized, the absence of economic security, of sickness, accident, old age and unemployment insurance and the breaking down and whittling away of the gains formerly made in less "prosperous" times by the United Mine Workers and other such organizations.

Hence, the first effect of this prosperity upon the American workers has been to strengthen the employers economically. The second effect has been to strengthen the employers politically. The third effect has been to weaken the workers by increasing the divisions within their ranks.

The strength of American capital and the weakness of the American labor movement relative to its opponent has reflected itself in a series of crushing defeats administered to the labor movement during the last few years. Some of the more important of these have been the defeat of the shipyard strikes, the steel strike, the coal strikes, the railroad strikes, the packing-house strike, the partial destruction of the railway shopmen's organization, the gradual break-down of the U. M. W. of A., and the defeat of the La Follette and Labor Party movements. These defeats were followed by a discouragement of the mass of the workers and a weakening of their militancy, by the more definite ascendency of the opponents of militant struggle inside the labor movement and by their development of a more open and conscious philosophy. Into the economic basis of this development I cannot go here because time does not permit. But the existence of the tendencies needs no proof. I will mention only in passing the fact

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that the tremendous super-profits reaped by American capital out of increased productivity at home and imperialist policy abroad give it a tremendous surplus available for the purpose of throwing crumbs to privileged sections of the working class or working class leaders. This does not necessarily imply a conscious corruption on the part of the latter. While Brindellism may be widespread in certain sections of the organized labor movement, it is by no means universal or even dominant. Much more subtle is such unconscious "bribery" as comes when a powerful monopoly recognizes the organization of a few skilled workers in order to prevent their furnishing leadership to the great mass of the unskilled to whom organization and decent living conditions are denied. In other words, it is the divisions sowed in the working class by this process which are much more important than the conscious bribery of a few leaders by money or political preferment or governmental appointment.

Be the causes as they may, the facts are obvious that after a series of defeats the militant element in the labor movement was weakened, much of its rank and file support discouraged, it was more easily attacked and defied by the conservative sections of the leadership, and such leadership proceeded to evade further direct conflict with the employers and even replace it by conflict with the militant elements in their own organizations who urged the continuation of struggle. Hence, the major energies of many of the foremost leaders of the American labor movement in the past three years have been devoted not to fighting the employers but to fighting the elements in their own organizations who were in favor of such a struggle against the employers. This tendency has finally come to theoretical fruition in Matthew Woll's theory of the three stages of the American labor movement. According to this theory the American labor movement has passed thru three periods of development. The first was the period of conflict. The second, the period when the struggle for existence of the unions had been partially won, the bosses and the unions mutually respected each other's power and an armed truce prevailed—the period of collective bargaining. The third period is the one into which we are now entering—the period of worker-employer co-operation. No longer war, no longer truce, but permanent and profound peace. In this period, the unions have proved or are proving or should prove to the

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employer that it pays him to recognize and foster them. They are no longer to be instruments of struggle for the workers who have built them, but their task should be to increase productivity, to eliminate conflict, to prevent strikes, to make workers competent and docile and eliminate those who are not. Particularly is it necessary to get rid of all militants, left wingers, Communists, and others who believe that the unions should remain instruments of struggle.

This theory involves as its primary postulate a belief in the eternity and rightness of capitalism and its beneficial nature as far as the working class is concerned. It introduces into the unions therefore a most debilitating and destructive political philosophy—the philosophy of capitalism, the philosophy of class harmony, the philosophy of identity of interests, the philosophy of non-resistance and even of sharp attacks against the more militant workers. It is robbing the unions of their fighting spirit, of their "soul." It is perverting their reason for existence, it is giving them a non-militant leadership or rather a leadership militant only in fighting against the class struggle and the class interests of the workers. Under its regime the few powerful mass organizations of the workers, such as the United Mine Workers, are being slowly destroyed. The needle trades have lost their advanced position and are having their gains whittled away while their "official" leadership expels militants instead of unifying their rank and file for struggle. Under this regime no new struggles of importance are undertaken except where employers attempt to deliver a death blow, as in the Mine Workers and there no effective fight is being fought. Under this regime the right to organize the unorganized workers in the big basic industries is being abandoned. The right to challenge the power of monopoly likewise. The right to place some limits upon the inhuman speed-up system is not only abandoned but the unions are actually to be converted into instruments for intensifying the speed-up. Speed-up means increased unemployment and premature old age but against unemployment and old age dependence the "prosperous" American worker has no protection.

I have described at length the effects of prosperity upon the working class so that we might be able clearly to answer the question: What political program shall we offer to the

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working class in its moment of enjoyment of this wondrous "prosperity?"

I maintain that the chief duty of the politically awakened workers in this period is to restore its soul to the labor movement. To give it some consciousness of its interests. Not to drug it with phrases on prosperity and contentment and speed-up, but to open its eyes to the desperate condition to which it has been reduced. In other words, the chief task of the political movement of the American workers is the development of the class consciousness of the American working class.

The Matthew Wolls are also participants in the class struggle although they may not realize the role that they are playing. By weakening the working class ideologically and organizationally, by struggling against the militant wing of the American labor movement, by preaching reconciliation with capitalism, eternity of capitalism, and the beauty of capitalism, by urging speed-up and docility, they are really unconscious propagandists from the other camp that demoralize the army of the working class as the propagandists of Hankow smuggle into the ranks of the army of Chang Tso Lin and demoralize that army. I am willing to admit for the sake of argument that men like Woll do not fight for leadership and hegemony in the labor movement for their own sakes as individuals but as representatives of an ideology. This is also true, of course, of the left wing and Communist elements. We do not fight for leadership in the labor movement for our own sake, but as representatives of an ideology which we strive to develop in the labor movement just as surely as Matthew Woll strives to develop and make dominant his ideology. We feel that the outstanding task of the political party of the workers today is to propagate and develop class consciousness and class struggle in the labor movement and make it the dominant union philosophy. In the same manner Matthew Woll strives to propagate and develop class collaboration and to make impossible class struggle. We feel that this means death to the American labor movement, that it has already intensified the process of disintegration and that, if the Wolls succeed, the labor movement will be worse than dead because it will actually be an instrument of the employers for speed-up, for increase of profits, for increase of productivity with gradual consequent increase in unemployment, and its further consequence of

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gradual breaking do . of the standards of the American workers.

If the American labor movement is to endure and grow and be able to cope with the tremendous and still growing power of American capital, if it is to be able to challenge monopoly and organize the basic industries such as steel and automobiles where monopoly already prevails, then the feeble craft unions must not only be instilled with a militant spirit and a consciousness of the necessity for struggle, but they must be strengthened organizationally by amalgamation into industrial unions capable of coping on an industrial scale with the powerful monopoly employers of today. Even the official leadership of the A. F. of L. has reluctantly recognized this in the case of the auto workers—on paper, at least.

If the labor movement is to continue to endure, it must seriously undertake the organization of the unorganized and particularly in the basic industries. Only if it seriously undertakes this task and if it develops the proper organizational forms and the proper militant spirit and consciousness of its interests necessary to these tasks, will it be able to cope with the tremendous power of the mightiest ruling class in the world today.

On the other hand, the mere undertaking of the task of organizing the unorganized on a partial scale in itself tends to develop the militancy of the labor movement, to strengthen it organizationally, and to break down its narrow craft ideology which so much weakens it. From all this, it follows that the primary task of the political party of the workers is to develop the consciousness and militancy and spirit of struggle of the organized labor movement to impel it into a struggle for the organization of the unorganized and to aid it in that struggle and to give it an understanding of the kind of organizational forms necessary for such struggle.

But the struggle under modern conditions of monopoly, of imperialism, of the political dominance of big business and its open use of the government, make even struggles for economic demands where they are of any size at all assume a political character. When we wage a fight against the steel trust, the entire power of the ruling class is utilized. Not only its means of propaganda, such as the newspapers, not only its

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credit facilities through the banks, but its political power as well. Hence it is that injunctions are issued and Major General Leonard Wood marches into Gary. Consequently, the labor movement in its struggle for organization and for economic advancement finds itself inevitably set upon by the State power. This compels it to broaden its struggle into a political struggle for the conquest of such political conditions as enable it to exist, to grow, and to fight. Therefore, the labor movement finds itself faced with the necessity for challenging the right of the ruling class to use the courts, the police, the army, and the other agencies of government, and is compelled to struggle for freedom of speech, freedom of the press, freedom of assemblage, the right to organize, the right to picket, the right to strike, and other such elementary demands of a political character. In the process of this struggle, it learns that these rights are theoretically guaranteed it by the Constitution, but it is always a question of who interprets the Constitution. It is from the interpretation of the Constitution and the laws of our land as made by injunction judges, by National-Guard-dispatching governors and strike-breaking presidents, that the labor movement gradually derives the consciousness that it must elect its own judges and other officials in place of officials at service of the employers. From this follows the concept of Labor Party and Workers' Government. Again, it is a primary task of the political party of the workers to hasten the consciousness of the workers, organized and unorganized, that they must cut loose from the Republican and Democratic parties and must form an all-inclusive Labor Party of their own. The more advanced workers must hasten this development and must realistically adapt themselves to the backwardness of the bulk of the American workers, to their lack of a class struggle philosophy and must, therefore, advance for the Labor Party movement a most elementary program, of the character I have just described.

You may wonder why I have not given in the course of this address the full program of the Workers (Communist) Party. My answer is that we must approach realistically the condition of the labor movement in our country in 1927 and realistically the question of program. We feel certain that our full program will be realized in America, but we do not for an instant expect that it will be realized overnight. Nor do

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we propose that a Labor Party aiming to include the overwhelming mass of the workers and to base itself upon the organized labor movement and ally itself with the political movement of the poor farmers should have a full Communist program. On the contrary, we feel it our duty to fight against any one so unrealistic and sectarian as to propose this.

We have no interests apart from the American labor movement as a whole. We differ only from other sections of the American labor movement in that we try in each individual case and in each limited section of the labor movement to see and maintain the interests of the labor movement as a whole. And, further, in the fact that in struggling for the immediate interests of the working class of our country we perceive their relationship with the final larger aims and historic destiny of our class and understand that they are really steps, though often unconscious, in the direction of the realization of those final aims. The program that we offer to the American working class today as a party which regards itself as an instrument of the American working class is a program whose chief provisions can be summed up as I have tried to sum them up in the following:

1. The saving of the labor movement which is at present threatened with destruction.

2. The strengthening of the labor movement organizationally by amalgamation into industrial unions.

3. The extending of the labor movement until it includes the entire American working class by the organization of the unorganized.

4. The strengthening of the labor movement in its spirit and ideology by the development of class consciousness and a militant spirit of class struggle.

5. The development of the political consciousness of the Labor movement by releasing it from the shackles of capitalist politics which mask under the slogan of: Reward your friends and punish your enemies.

6. The development of a Labor Party based upon the trade unions and inclusive of all elements of the working class from the most backward that are willing to enter to the most advanced.

7. The development of this party on the basis of an elementary program of struggle for social legislation, of

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struggle against imperialism and war, against the political power of capital, against its use of the machinery of government, and for the placing of the machinery of government into the hands of the workers and their allies, the poor farmers, who constitute the majority of the American people.

We are confident that in its struggle for these elementary aims the working class will get such experiences as will convince it of the necessity of abolishing capitalism altogether and instituting in its place a better social order. We, of course, will at all times actively propagate for our full program so as to aid the workers to draw the lessons to be derived from their more elementary struggles. If our analysis of society is wrong and our theory that these immediate struggles for the immediate interests of the working class are not steps leading it towards a final struggle for the abolition of capitalism we are willing to take the consequences of such mistake in analysis. Our program for the labor movement as it stands today is essentially as I have stated and to this program the Workers Party, of which I am a member, devotes its best efforts. Those who fight for the elimination of the Communists from the labor movement are not only making the mistake of dividing the labor movement but are consciously or unconsciously fighting to eliminate the ideology of class struggle and of militancy and to eliminate those who fight for the program I have just outlined. Therefore, whether they realize it or not, they are really fighting not against the Communists as such, but against the labor movement as a whole. That is why they have a contrary political philosophy and oppose class struggle, class consciousness, class organization and a working class party.

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Perspectives for Our Party

JAY LOVESTONE

(Concluded from last issue)

The Condition of the Labor Movement.

During this period the bourgeoisie reap a harvest not only in profits, not only in surplus value but also politically, in strengthening and consolidating their class position through the control of the labor lieutenants of American imperialism and the leadership of the trade union bureaucracy. American imperialism has been able to win away many of the gains that the working class has won; even some that the skilled workers have won. The class struggle takes on the character of an attack not only on economic but also on social rights. The right to organize, the right to maintain unions are being whittled away sometimes with a struggle and sometimes without. We are heading toward the time when the right to organize even into a craft union, when the right to maintain even craft unions, will be a right challenged by the bourgeoisie. We are heading towards the time when such elementary fundamental rights as the very recognition of the strike as a weapon in its most general sense will be challenged. The right to organize into a union, even the right to belong to a union will be challenged.

What is the condition of the labor movement? The weakness of the unions needs no elaboration. Take the United Mine Workers, the very backbone of the American trade union movement. The tragic conditions which show themselves in the loss of 200,000 members in the last two years are only one indication of the general downward trend, the general weakening of the trade union movement.

We have already seen the reasons for the weakening of the working class. We must also bear in mind that there are forces at work which tend to resist this downward trend. There are forces in the working class of semi-skilled and of unskilled workers that now and then have in recent months with energy and with courage resisted the aggressions of the bourgeoisie, resisted company unionism. Our Party by participating in these struggles, by extending the development of these struggles, has provoked a new attack upon it.

The Offensive Against the Party.

When in 1919, with the revolutionary sentiment far stronger in the United States, in so far as sentiment is concerned, when the bourgeoisie launched an offensive against the working class they used other methods than they use today. Today the bourgeoisie in carrying on the offensive against the working class uses primarily its agents in the labor movement, the Wolls, the Greens, and others who are doing the work which Palmer tried to do in 1919.

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Why this offensive against the Party and where does it show itself? The primary reasons for the offensive are the following. First of all, the Party reorganization. As a result of the Party reorganization we have had not only the organization of a number of well-functioning shop nuclei but the general orientation of the Party has been changed. The general level of the Party activity has been elevated—it has its face to the masses and the basic industries. Second, the achievements of the Party in penetrating certain basic unions of the American Federation of Labor. Third, in leading strikes. In the past 18 months the Party has shown that it is capable through its fractions, its members in trade unions, to lay down such policies as will bring successful direction for strikes. Fourth, we have in the last months contributed something towards the organization of the unorganized. Fifth, we have been able to throw out such issues and such slogans as will create a rift in the trade union bureaucracy. The American working class is not homogeneous. The American labor aristocracy as a section of that class is not homogeneous. Not even the trade union bureaucracy has a homogeneous character. There are divisions. It is one of the most important tasks to throw out such slogans and develop such campaigns as will sharpen these divisions, as will intensify the trend towards a rift in the trade union bureaucracy.

Groupings in the A. F. of L. Executive Council.

Anyone who will maintain that even the American Federation of Labor Executive Council is a homogenous group is wrong. In it there are three groups. The lines may not be clear—the lines of demarcation may be blurred, but the divisions exist. The group in the lead is headed by Matthew Woll, representing a highly skilled craft—a craft so skilled that it can deal with its labor as something it can job on the market. The middle group is represented by Green, who, although he may be president, is not the leader of the American Federation of Labor. The leader of the A. F. of L.—the leader of the American trade union movement is Woll. The third group headed by Noonan represents the leadership of unions in an industry which is rapidly losing its place as a skilled industry, as a union which can control the labor market or have any influence in dominating job control. These divisions do not reflect themselves clearly but they exist. If our Party can develop and sharpen these differences our Party will succeed in coming into a position where we will have influence over the masses following these leaders and win away masses from them.

Why is Woll leader of the trade union movement? The left today is still very weak, in the official family. The center has no policy. It follows the policy of the right and is equally reactionary but because it comes from mass unions is more subject to the pressure of the masses and a little less agressive and outspoken. The right wing has a very clear and definite policy. Their policy is to turn these trade unions which exist today into real agencies of the em-

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ployers. Matthew Woll has this conception of the development of class relations in the United States.

The first stage is the stage of conflict.

The second is the stage of collective bargaining.

The third is the present stage towards which we are developing —class collaboration—class peace.

Matthew Woll was appointed chairman of a committee to investigate company unionism at the last convention. An appropriation of $200,000 was named for Woll's commission. His recommendation to fight company unionism will be something like this. The unions must become organs which will supply workers who are docile, obedient; workers who are efficient. The role of the leaders is to manage and organize the unions in such a way as to increase the productivity, the efficiency, the docility and obedience of the workers. They will be organs of labor committed against strikes, against militancy and against the conflict between the working class and employing class because the manager of the union will be the central figure in the so-called management schemes. They don't call it "class collaboration" but "union-management co-operation" which means we are here having further evidence of the trend towards the time when the right to strike, when the right to organize, the right to maintain a union—even a craft union—will be challenged. And in this clash of forces, the Wolls, and Wilsons, and Lynches, will be on the side of the bourgeoisie, fighting even against the inadequate craft unions we have had in this country. The Party, participating in these struggles which we are heading to, in struggles for such rights will be able to get into contact with, influence and lead masses who today hate the Communists. When they find that we are in the front on such fundamental issues and when they find that we are the ones who are most energetic in leading these struggles, many of them will follow us and come to us politically.

One of the basic reasons for the offensive against the Communists—for the offensive against the left wing today is to be found in the fact that the leadership in the American trade union movement very consciously follow the path that they must destroy all possible opposition. The more conscious the opposition the more necessary that it be destroyed. This is part of the general campaign on behalf of the bourgeoisie, the readiness of the bureaucracy to destroy the forces of opposition in the trade union movement, and to oust even those who fight for the maintenance of trade unions on the inadequate basis on which most of them are organized today.

"Bourgeoisification" and Pessimism.

Is American imperialism so strong that the whole working class has been corrupted—has been bourgeoisified by the ability of the American ruling class to give certain concessions to the workers? No! It is true that American imperialism has been able and will be able for some time to come to corrupt, to have a bourgeoisifying

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effect on the labor aristocracy but it is absolutely false and it is anti-Leninist to say that American imperialism has been able to bourgeoisify, to corrupt, the whole working class. Those who say that labor is becoming capital are basing their judgments on temporary and superficial phenomena. When they speak of labor this way they see only certain parts of the working class and certain developments. They do not see the whole working class in struggle. There are divisions created in the working class by the effect of imperialism but if we are to maintain that our working class has been bourgeoisified then we would have only this condition to face in our Party. First, either there is no room for a Communist Party in the immediate future or second, that it must be a Communist Party of pure disciples—a sectarian group organized on the narrowest basis. When we speak of this "bourgeoisification of the working class" let us not look only on the upper strata of the working class. We must also see the miners' struggle against wage cuts, the textile workers who invariably have poor conditions and low pay, the great millions of unorganized workers that have not been corrupted by or shared in the super profits of our ruling class. It is very true our Party is facing tremendous difficulties; no Party faces such difficult objective conditions as our Party is facing. It is a question of perspective. Shall we say there are difficulties? Yes. Shall we say that the tempo for a mass communist Party has slowed down? Yes. But there is no basis for pessimism. Our Party has many opportunities for activity and the difficulties which we have must not be pressed in the forefront. If we do this, if we say that there are only difficulties, then the conclusion is not to do anything. We must combat such pessimism in our own ranks. We must teach our party and the non-party workers to see the American working class as a whole, to see its intensely exploited sections, to see the reason for struggle and opportunities of struggle. We have weaknesses in our capitalism. We have opportunities in our work. Our Party is the only Party of opposition to the encroachments of imperialists—to the encroachments of big capital and when we speak of the opportunities of our Party we speak of the ability of our Party to adjust itself to meet the needs of the working class.

The Main Task of Our Party

The main task of the Party, the primary task of our Party, still is to hasten the development of the working class politically. This task is achieved primarily through our united front activities. A few words about our united front policy. We do not view the united front as a weapon which is to be used solely or which enables us solely to expose some reactionary figure in the trade unions or in the working class. To us it is the key to our activities because through this we Communists are able to come into contact with non-Communist workers, to come in contact with them so as to increase their development, to increase our influence over them by making

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them move toward the left. Any movement of any section of the working class as long as it is a move toward the left, it is our task to increase the tempo of that move. We do say that the Party must be allowed to hang out its shingle in the united front. Our task is to consider: Whether such instances decrease the opportunities of our Party coming in contact with these non-Communist masses; (2) will it decrease the movement of non-Communist masses with whom we can come into contact? (3) will it slacken the development of these masses through the particular united front toward the left? We are not mechanical on this question. Very often it is necessary that the outward leadership must be in the hands of non-partisans, of non-Communist workers. It is our job to develop initiative amongst these non-Communist masses to the extent that we have them moving toward the left—moving in our direction. When we are not officially a participant in a certain united front it does not mean that the Party is not actually a part of it.

The Labor Party Movement.

Now as to the Labor Party movement. We have seen the reasons for the slowing down of the tempo for the Labor Party. The fundamental reasons for a Labor Party movement still exist. They have not been removed. One of our primary tasks is to hasten the development of a Labor Party, a Party of the working class.

Our Trade Union Work.

But the most important and dominant tasks of our Party are to be found in the trade union field. The trade union work at this time is the key to the success of all our Party campaigns. To the extent we develop a foothold in the trade union movement we can develop successes in our general united front activities. The progress of the Party in the trade union field is recognized by all sections of the Party. It was recognized as such by the American Delegation at the Seventh Plenum without any reservations by the Delegation. What are our main tasks in the trade union work? Primarily they are:

(1) We must draw the Party membership much more into the trade unions than we have drawn them. Larger sections of our Party membership are found in the unions today but we have lots and lots of members who belong in the trade unions or should belong and are not yet inside.

(2) We must see to it that larger numbers of our Party members that are in the unions participate actively. It is not enough to have a card. There should be nothing too small, nothing too difficult for a Party member to do in the trade union.

(3) We must develop more clearly our concept of the trade onion work. Today we have a much clearer concept than we have ever had. The Party is still finding its way toward a complete program which will eable us to respond more effectively than we

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have responded to the needs of the labor movement. The hastening of the development of a left wing movement cannot come through our efforts unless we have such a view. Our general trade union viewpoint is that we reaffirm the position taken by the Plenum on October 23rd. We reaffirm the resolution on the trade union question unanimously adopted by the November Plenum, the basic points of which were laid down in the preamble. We must build the left wing. We must not permit it to be narrowed down to an organization of the Communist Party members with a narrow circle of Communist sympathizers—such an organization cannot be a left wing. It must be much broader.

We must be flexible in our organizational forms for the left wing. We must not be rigid or mechanical or narrow. We must utilize every occasion, every temporary oppositional movement, no matter in what union, no matter how it appears to rise, no matter what issues—we must realize and crystalize out of this opposition forces for the left wing movement.

Industrial unionism—here we must be very careful. First of all we must avoid the chase for the rainbow of industrial unionism. That is not a danger, not a very great danger in so far as our Party is concerned today as a whole. It has outlived that situation or danger. At the same time, we must avoid making a fetish of anti-dual unionism. The test comes in the question of the masses, the size of the masses who can be mobilized in an organization. We want unions to be of a mass character. The policy of the Party in the Passaic strike was correct and when the U. T. W. refused to organize or to participate in the organization of those unorganized workers, the policy of the Party was absolutely correct when we said we will not be frightened by this bugaboo of dual unionism. We will organize our own apparatus to organize the unorganized. And once we have them organized we do not want to make the opposite mistake. Our main task is to take those workers whom we have organized and draw them into the main stream of the American labor movement, the trade union movement as personified by the American Federation of Labor.

To summarize, our main tasks in the trade union field are: (1) More members into the union; those there to have greater activity. Build trade union fractions. Build the left wing; boost and broaden Labor Unity, help the left wing make it a living organ with mass circulation. This does not mean that we must sit back and wait until it develops. We must take every possible step to help the left wing make it a satisfactory living and fighting organ.

(2) Organization of the unorganized. This is one of our most basic problems. With the small proportion of the American working class organized we can see very clearly how important this task is. To the extent that we can draw new blood into the trade union movement, to the extent that we can draw semi-skilled and unskilled workers into the trade unions, to that extent can we invigorate the existing organizations and turn them from the pres-

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ent character of largely inadequate organizations of the class struggle into militant, energetic organs of the class struggle.

(3) Fighting class collaboration. Here we must do quite a little work. We have fought it with some success in a number of instances. But the outstanding feature is that in so far as we have met it today it has been by denunciation. We must learn to meet such a danger as company unionism, such schemes of class collaboration, as the B. & O. Plan and the industrial democracy schemes—not merely by exposing the character of them but by proposing certain positive demands—certain positive programs by which the workers participating in those schemes will fight. And such demands, that the workers will fight for them and which will enable us to show the fraudulent character of the schemes and will bring them to fight for conditions which will lead to a fight for genuine unions, unions that will genuinely fight for the interests of the working class.

Our Struggle Against Imperialism.

As to the anti-imperialist activities of the Party. The central task of the Party today in its campaigns in the anti-imperialist work is the mobilization of the American masses for a fight against the war danger. At the present moment that involves particularly in the United States the fight against the encroachments of American imperialism in Nicaragua, in Mexico, in China. American imperialist policy in China is inseparable from its imperialist policy in Nicaragua and in Mexico. One section of the world cannot be separated from other sections of the world. China is the most pressing question of our Party because in the Chinese situation we at this time have the greatest danger of new world war. In the Chinese situation at this time the Party is confronted with the task of mobilizing our forces to prevent American imperialism from plunging into and participating directly or indirectly in a war against the Chinese revolution. That revolution is more and more showing signs of getting into that stage where the leaders of the revolution—where the only forces that can lead the revolution to a successful conclusion are the following: The proletariat in alliance with the peasantry and the petty bourgeoisie in which the proletariat must exercise dominant power. And because of the trend in that direction there is a likelihood that the imperialist power, facing a greater enemy than the forces of opposition amongst themselves, will unite for a war against the Chinese revolution which will inevitably and invariably mean an attack against the Soviet Union. The importance of such an attack, the danger and significance of such an attack, against the Soviet Union needs no emphasis for us today. Because of the key position of American imperialism it is obvious that to the extent that we can stay the hand of American imperialism from getting into the Chinese situation, from participating in a campaign against the Chinese revolution, against the Soviet Union, to that extent is there less likelihood of a war development. We had in general established a policy in the

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Hands Off China campaign and with this new turn of events we decided to give it a direction towards developing it into an anti-war campaign. This is correct. We must not only carry out the policies we adopt one day—we must be able to broaden them as new objective developments take place. After the developments at Nanking it appeared to everybody that English and American imperialist powers had locked their interests, had joined hands for a campaign against China. It was at that moment that the Chinese war danger was greatest, because Great Britain and other powers will hesitate a hundred times before they open a war against China and the Soviet Union without knowing full well what the United States will do. The best assurance, the best guarantee is the position of the United States.

(Here follows a detailed report on the activities of the various districts in this connection which is omitted here.)

The Political Bureau has been very active in following the different movements and in adjusting itself and responding to the developments as they occur in China.

China is the key to the war danger. The basic features of the Chinese revolution have been characterized very well by the thesis of the Seventh Enlarged Executive of the Comintern.

Before closing I want to mention several other of our Party campaigns and several features of the present Party situation.

A few words about the reorganization. The last month has seen the highest dues payments in our Party since the reorganization. The last month has seen a dues payment of 9,500. The April figures have not come in. But most of the districts that have submitted their reports show large increases, particularly in the number of new members, the number of new members especially due to the Ruthenberg enrollment has been very large. The number has not been completely tabulated because of the different methods used by the various districts.

The general estimate of our reorganization today can be precisely the one given us by the Comintern. We have had numerous weaknesses, many mistakes. We may have been too speedy—we may have followed incorrect policies in pursuing such methods as tend to break up the Party into too small units. But the resolution of the Comintern declares that our reorganization is a tremendous step forward towards giving the Party a new concept of mass work. It condemns the position of Lore on reorganization and the attitude of those comrades who mask their pessimism as to reorganization under the slogan of "reorganizing the reorganization". We have only begun to meet the difficulties of our reorganization. We have solved only a few of them. We still have the task of developing Party functionaries, of further activizing and politicalizing our units, etc. Our general trend today is a trend which is upward, not only in the increase of members but also in the increased activity of our Party membership.

(The rest of the speech is a detailed informative report on the mistakes and achievements of the Party in its various fields of work.)

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Marx, Engels And America

Attitude Toward America in the Early Period

By A. LANDY

THE numerous references to America in the different writings of Marx and Engels have hitherto failed to stimulate American marxists to make a special study of this subject. [1] Even Spargo, the sole American "biographer" of Marx, failed to pay more than cursory attention to this aspect of Marx' and Engels' activity. His biography shows clearly that he did not recognize its importance as a biographical contribution nor its value to the American movement—although this would have constituted the only original and contributive part of the entire volume.[2]

True, the state of marxian research, not quite favorable to an exhaustive study of the subject even today, was still less so in 1910, the year in which Spargo's biography was published. But what, for example, can be said for an American biographer who lacked the curiosity, not to speak of the scientific thoroughness, to investigate first hand Marx' relation to the New York Tribune, repeating in a meager paragraph the meager information of Eleanor Marx Aveling?[3] It is true that Marx and the Civil War received a little more consideration. But Spargo never recognized its real importance in the development of Marx' outlook. Instead of developing Marx' real

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[1] The difficulty of a foreign language and the inacessibility of many of Marx' and Engels' writings are natural obstacles with which American marxists cannot really cope. Even where the difficulty of the foreign language does not exist, the problem of obtaining the necessary works still remains. A systematic survey of the different libraries in America would probably reveal much valuable material. In this respect, the Herman Schlueter Collection, given to the Library of the University of Wisconsin by William English Walling, and containing numerous first editions, is of considerable interest.

[2] That is, if we exclude Spargo's extensive photographic reproductions, — as it is, the chief merit of the book.

[3] Karl Marx: His Life and Work. By John Spargo. New York, B. W. Huebsch. 1910. p. 187. Compare: "Revolution and Counter-Revolution etc. by Karl Marx." Edited by Eleanor Marx Aveling. London, 1896. Note By the Editor; also: "The Eastern Question etc." By Karl Marx. Edited by Eleanor Marx Aveling and Edward Aveling. London, 1897. The Introduction.

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view concerning slavery and the Civil War; instead of utilizing the numerous remarks in the first volume of "Capital", which is dominated by the cross-Atlantic event and which does not fail to make clear Marx' working-class position, Spargo dispatched the matter in a truly liberal, democratic spirit. In this way he points to the role of the British working class in preventing war against the American Union; and sees the entire significance of Marx' interest in American affairs at this time in the fact that Marx was a great admirer of Abraham Lincoln—a fact which, standing by itself, is utterly misleading, not to say meaningless. Spargo's deficiencies in these respects, however, were not merely a matter of scientific neglect; they proceeded from a philistine, social-patriotic conception of marxism. The future fascist, ignoring the point of view of the labor movement and the proletarian revolution, did not see the political importance and the revolutionary character of Marx' and Engels' writings bearing on America.

The question of the reason for Marx' and Engels' interest in this country cannot be avoided. In general, it must be stressed that their activity was always animated by one central interest; the Social Revoluton. It was the progress of the revolution that led them from country to country, including America. It was the Social Revolution developing within the structure of bourgeois society that unified their apparently diverse interests. The world in which they lived was a single unit, dominated by capitalist Europe and held together by the ties of a world market; a microcosm in which England, the classic home of capitalism, was for long the industrial sun, and the remainder of the world beyond the limits of Europe, China, America, etc., colonial satellites. It was as part of this closed system that Marx and Engels looked upon America; it was only as it affected the development of the Social Revolution that America occupied their attention.

In this respect, the "Communist Manifesto" is especially interesting. In 1847, Marx attributed an extremely vital place to America in world economy. At that time, it not only absorbed European capital and surplus proletarian elements, but acted as a sort of agrarian hinterland to capitalist Europe, furnishing English industry with raw material, like cotton and corn, and importing all kinds of industrial products from the other side of the Atlantic. The predominance of England on the world market and basic role of cotton in its production

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led Marx to conclude that commerce and modern civilization rested upon slavery and the production of cotton in North America.[4] "This," Engels said in a footnote to the second German edition of Marx' "Poverty of Philosophy" published in 1892, "was perfectly correct for the year 1847. At that time the world trade of the United States was limited mainly to the importation of immigrants and industrial products and to the export of cotton and tobacco, hence of products of southern slave-labor. The northern states produced chiefly corn and meat for the slave states . . ."[5]

Under these circumstances, America played no role in the proletarian movement and seemed to have no direct importance for the Social Revolution in Europe. It could only be considered as a powerful prop of the established order. For this reason it found no place in the "Communist Manifesto," as Marx and Engels pointed out in their joint preface to the second Russian translation of the Manifesto which appeared in 1882. "The first Russian edition of the 'Manifesto of the Communist Party,' in Bakunin's translation," they wrote, "appeared at the beginning of the sixties in the printing establishment of the 'Kolokol.' At that time, a Russian edition of this work had for the West, at the most, the significance of a literary curiosity. Today such a view is no longer possible. The limited extent of the sphere of the proletarian movement at the time of the first publication of the Manifesto (January, 1848) is best shown by the last chapter: 'Position of the Communists in Relation to the Various Opposition Parties.' Here, primarily Russia and the United States are missing. It was the time when Russia formed the last great reserve of the European reaction, and when the emigration to the United States absorbed the surplus forces of the European proletariat. Both countries supplied Europe with raw material and at the same time served as markets for the sale of its industrial products. Both, therefore, appeared, in this or that manner, as props of the European social order.

"How different all this is today! Precisely the European emigration has made possible the colossal development of

[4] Compare: "La Misere de la Philosophie" by Marx. Paris, 1847. p. 102-103. Also "The Communist", April, 1927. p. 95.

[5] "Das Elend der Philosophie. Von Karl Marx. Deutsch von E. Bernstein u. K. Kautsky. Mit Vorwort und Noten von Fr. Engels. Zweite Auflage. Stuttgart 1892. p. 93-94.

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North American agriculture, which, by its competition, has shaken the very foundation of the large, as well as the small, landed property in Europe. At the same time, it has given the United States the possibility of proceeding to exploit its abundant industrial resources, and indeed, with such energy and on such a scale, that, in a short time, it will put an end to the industrial monopoly of western Europe. And both these circumstances are also reacting upon America in a revolutionary direction. The small and medium landed property of the self-working farmer, the basis of the entire political order of America, is succumbing more and more to the competition of the giant farms, while, simultaneously, in the industrial districts, there is being formed, for the first time, a numerous proletariat side by side with a fabulous concentration of capital."

Two periods are thus distinguished by Marx and Engels with reference to the role of America in the social revolution. During the first, America is essentially a European colony, without a large proletariat, in reality a prop of the established order, and a negative factor on the side of the proletarian revolution. In the second, it has begun to lose its colonial character, developing a native proletariat together with a powerful bourgeoisie which threatened to rob England of its industrial and commercial supremacy. During the first period, therefore, the revolution is limited to Europe, and America acts in the capacity of a complicating factor with regard to developments **in Europe;** in the second, the sphere of the social revolution is extended to America which acquires new importance in accord with its new role in world economy. The first period is characterized by the absence of a labor movement in America and the international organization of those movements already in existence; the second, by the developments of an American movement of promising proportions following the Civil War, and the founding of the first International, the International Workingmen's Association. The connection between these different facts is not unimportant. For the present, however, we shall limit ourselves to the first period.

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[6] "Das Kommunistische Manifest." 4. autorisirte deutsche Ausgabe. Mit einem neuen Vorwort von Friedrich Engels. London, 1890. p. 5. The Russian foreword, which is reprinted here, is dated London, January 21, 1882.

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During the summer of 1843, Marx prepared to leave Germany for Paris after his marriage to Jenny von Westphalen. He was then twenty-five years old and sedulously occupied with his studies in French, German and English history. "In Paris," says Riazanov in taking up the question of Marx' reading, "Marx continued to work on the history of France, and, for a time, even had the intention of writing a history of the Convention. At the same time, however, he also read much on the history of the United States and England, and studied the socialists and the economists, Ricardo and Mac Culloch."

Engels, too, had manifested an interest in the United States at this time, although the reason for this interest is more obvious in his case than in the case of Marx. In 1843 his acquaintance with Marx had not yet ripened into the friendship of a year later, resting on the first formulation of a common outlook. His residence in England had brought him into contact with the communism of Robert Owen who was just then engaged in founding a communist colony in America. From a letter to Marx in 1844, we know that Engels had not only followed the communist experiments in America during the early forties, having undoubtedly read the contributions concerning these in "The New Moral World", (an Owenite organ to which he himself had contributed several articles, in the autumn of 1843, on the progress of social reform on the Continent)[8] but even thought of writing a book about them.

This book, as far as we know, was never written. During the next year, however, Engels published his volume on "The Condition of the Working Class in England in 1844", indicating that his interest in America has not been limited to its communist colonies. At that time, he saw in the United States a growing industrial nation and the country most likely to supercede Great Britain in its industrial monopoly. "Meanwhile, let us review once more the chance of the English bourgeosies," he wrote. "In the worst case, foreign manufacture, especially that of America, may succeed in withstanding Eng-

[7] Introduction to the first part of Marx' and Engels' manuscript, "Die deutsche Ideologie". In: Marx-Engels-Archiv. Hrsg. von D. Riazanov. I. Bd. (1925). p. 212-213.

[8] These articles appeared on November 4th and 18th, 1843, and will probably be reprinted in these columns at some future date.

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lish competition, even after the repeal of the Corn Laws, inevitable in the course of a few years. German manufacture is now making great efforts, and that of America has developed with giant strides. America, with its inexhaustible resources, with its unmeasured coal and iron fields, with its unexampled weath of water-power and its navigable rivers, but especially with its energetic, active population, in comparison with which the English are phlegmatic dawdlers,—America has in less than ten years created a manufacture which already competes with England in the coarser cotton goods, has excluded the English from the markets of North and South America, and holds its own in China, side by side with England. If any country is adapted to holding a monopoly of manufacture, it is America. Should English manufacture be thus vanquished—and in the course of the next twenty years, if the present conditions remain unchanged, this is inevitable—the majority of the proletariat must become forever superfluous, and has no other choice than to starve or rebel. Does the English bourgeoisie reflect upon this contingency? On the contrary; its favorite economist, M'Culloch, teaches from his student's desk, that a country so young as America, which is not even properly populated, cannot carry *on manufacture successfully or dream of competing with an* old manufacturing country like England. It were madness in the Americans to make the attempt, for they could only lose by it; better far for them to stick to their agriculture, and when they have brought their whole territory under the plough, a time may perhaps come for carrying on manufacture with a profit. So says the wise economist, and the whole bourgeoisie worships him, while the Americans take possession of one market after another, while a daring American speculator recently even sent a shipment of American cotton goods to England, where they were sold for re-exportation!"

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[9] Engels, F.: The Condition of the Working Class in England in 1844. With Appendix written 1886, and Preface 1887. Transalated by Florence Kelley Wischnewetzky. New York, 1887. p. 196-197. In this Appendix, written more than forty years later, Engels says: "I have taken care not to strike out of the text the many prophecies, amongst others that of an imminent social revolution in England, which my youthful ardor induced me to venture upon. The wonder is, not that a good many of them proved wrong, but that so many of them have proved right, and that the critical state of English trade, to be brought on by German and especially American competition, which I then foresaw — though in too short a period—has now actually come to pass." (ibid. p. v.)

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The prophecy which Engels made with such "youthful ardor" in 1844 is now a pregnant reality. It acquires further interest, however, when embodied in a volume which was written shortly after the publication of Engels' study of England in 1845, but which failed to be published during their life-time. The Bolshevik Revolution and Lenin's little book on the marxian teaching on the state called forth the attempt[10] to prove that, while Marx and Engels taught the necessity of the dictatorship of the proletariat, they considered the democratic republic, that is, the bourgeois republic, as its special form. In proof of this contention, we are referred to Engels' criticism of the draft of the Erfurt Program in which he speaks of the democratic republic as "the specific form for the dictatorship of the proletariat."

This is not the place to prove the utter perversion of such an assertion in detail. Marx' and Engels' early statements, however, are illuminating in this respect. We have seen that Engels looked upon America as the country most likely to become the leading capitalist nation of the world. In the "German Ideology", which proves that Marx and Engels formulated their theory of historical materialism not later than the autumn of 1845, they consider America in its character as a state. "The most perfect example of the modern state," they write, "is North America. The more recent French, English and North American writers all assert that the state exists only for the sake of private property, so that this has also gone over into the personal consciousness of people." The North American republic, the highest form

[10] Cf. Wilhelm Mautner: Der Bolschewismus. Stuttgart 1922. p. 166; 191.

[11] The story connected with this manuscript has an interest all of its own. It has been told by Riazanov in his introduction to the first part of the "German Ideology" which he published in the first volume of the Marx-Engels-Archive of which he is the editor. Lack of space forbids its reproduction here. The manuscript, which Riazanov has succeeded in reconstructing, is extremely valuable, however, and deserves to be translated as quickly as possible.

[12] Marx und Engels: Die deutsche Ideologie. I. Tiel. Ueber Feuerbach. (1845). In: Marx-Engels-Archiv. I. Bd. p. 299.

of the modern state, does not go beyond the limits of **private property!** Indeed, it is "the most perfect example" of the **bourgeois** dictatorship. For the modern state is "nothing

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more than the form of organization which the bourgeois necessarily give themselves, internally as well as externally, for the mutual guarantee of their property and their interests."[13] Or, as Marx and Engels stated in the same place, the state is the form "in which the individuals of a ruling class realize (geltend machen) their common interests and the entire bourgeois society of an epoch is epitomized."[14] Instead of being the specific form of the proletarian dictatorship, which rests upon the abolition of bourgeois property-relations the expropriation of the expropriators, the "democratic republic" turns out to be the specific form of its very opposite, the bourgeois dictatorship, resting upon bourgeois property-relations.—But then this is only the young Marx and the still younger Engels!

In disregarding the year 1847, which has been touched upon in another place, we come to the febrile days of February, 1848. The revolutionary wave failed to bring victory to the working class. In its stead, it brought a period of prosperity for the bourgeois. Far from declining, capitalism found itself at the beginning of an ascending curve. New markets were developed at an increasing rate and world trade became an actual fact.

This development was graphically described by Engels in 1892. "The revival of trade, after the crisis of 1847," he wrote, "was the dawn of a new industrial epoch. The repeal of the Corn Laws and the financial reform subsequent thereon, gave to English industry and commerce all the elbow room they had asked for. The discovery of the California and Austrian gold-fields followed in rapid succession. The colonial markets developed at an increasing rate their capacity for absorbing English manufactured goods. In India millions of hand-weavers were finally crushed out by the Lancashire power-loom. China was more and more being opened up. Above all, the United States—then, commercially speaking, a mere colonial market, but by far the biggest of them all—underwent an economic development astounding even for that rapidly progressive country. And, finally, the new means of communication introduced at the close of the preceding period —railways and ocean steamers—were now worked out on an international scale; they realized actually what had hither-

[13] ibid. p. 299.
[14] ibid. p. 299.

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existed only potentially, a world market. This world market, at first, was composed of a number of chiefly or entirely agricultural countries grouped around one manufacturing center —England—which consumed the greater part of their surplus raw produce, and supplied them in return with the greater part of their requirements in manufactured articles. No wonder England's industrial progress was colossal and unparalleled, and such that the status of 1844 now appears to us as comparatively primitive and insignificant."

In this upward movement of bourgeois society, the United States had not only had its share, but an essential part of capitalist economy, had even played the role of a stimulating factor. Indeed, the developments in America had impressed Marx and Engels to such an extent that they spoke of the discovery of gold in California as more important than the February Revolution and promising much more magnificent results than even the discovery of America. California gold, the development of regular steamship lines, the opening of the Pacific, they maintained, not only extended the scope of bourgeois society, drawing entire barbarian tribes into the vortex of world trade, but promised to transfer to the Pacific the role now held by the Atlantic. "We now come to America," Marx and Engels wrote in their review of January, 1850.[16] "The most important event that has occurred here, more important even than the February Revolution, is the discovery of the California gold mines. Even now, scarcely eighteen months later, it can be foreseen that this discovery will have much more magnificent results than even the discovery of America. For three hundred and thirty years, the entire trade of Europe to the Pacific Ocean was conducted with the most touching patience around the Cape of Good Hope or Cape Horn. All proposals for cutting through the Isthmus of Panama came to naught because of the stupid jealousy of the trading nations. The Californian gold mines have been discovered for eighteen months now, and the Yankees have already begun a railroad, a great highway, a canal from the Gulf of Mexico; already steamboats are plying regularly from New York to Chagres,

[15] Engels, F.: The Condition of the Working Class etc. With Preface written in 1892. Transl. by F. K. Wischnewetzky. London, 1892. Preface, p. vi.

[16] In the Neue Rheinische Revue. 1850. Further reference below.

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from Panama to San Francisco; already the trade of the Pacific Ocean is concentrating in Panama and the voyage around Cape Horn is antiquated. A Coast thirty degrees latitude long, one of the most beautiful and fruitful in the world, hitherto as good as uninhabited, is transformed at sight into a rich, civilized land, thickly populated by people of all races, from the Yankee to the Chinaman, from the Negro to the Indian and Malayan, from the Creole and Mestizo to the European. California gold pours out in streams over America and the Asiatic coast of the Pacific Ocean, and sweeps the obstinate barbarian peoples into world trade, into civilization. For the second time, world trade receives a new direction. What Tyre, Carthage and Alexandria were in antiquity, Venice and Genoa in the Middle Ages, what hitherto London and Liverpool have been, emporiums of world trade, New York and San Francisco, San Juan de Nicaragua and Leon, Chagres and Panama are becoming now. The center of gravity of world commerce, in the Middle Ages Italy, in more recent times England, is now the southern half of the North American Peninsula. The industry and trade of old Europe must make a tremendous exertion if it does not wish to fall into the same decay as the industry and trade of Italy since the sixteenth century, if England and France are not to become the same as Venice, Genoa and Holland are today. In a few years, we shall have a regular steam-packet line from England to Chagres, from Chagres and San Francisco to Sidney, Canton and Singapore. Thanks to Californian gold and the indefatigable energy of the Yankees, both coasts of the Pacific Ocean will soon be just as populated, just as open for trade, just as industrial as is now the coast from Boston to New Orleans. Then the Pacific Ocean will play the same role that now the Atlantic plays, and in antiquity the Mediterranean Sea—the role of the great water-highway of world commerce; and the Atlantic Ocean will sink to the role of an inland sea as is now played by the Mediterranean. The only chance, then, for the European civilized countries not to fall into the same industrial, commercial and political dependence in which Italy, Spain and Portugal now find themselves, lies in a social revolution which, as long as there is still time, transforms the method of production and distribution in accord with the needs of production itself proceeding from the modern productive forces, and thereby makes possible the creation of

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new productive forces which secure the superiority of European industry and thus equalize the disadvantages of its geographical position."

In their review of May to October, Marx and Engels returned to the question of America, dwelling on the significance of the Californian gold-discovery for the world market and the development of steamship lines. "We now come to the United States of North America," they wrote. "The crisis of 1836, which first broke out here and raged most violently, lasted almost uninterruptedly till 1842 and was followed by a complete transformation of the American credit system. The trade of the United States recovered on this more solid basis; to be sure, very slowly at the beginning with 1844 and 1845, increased substantially here, too. The famine as well as the revolutions in Europe were for America only sources of gain. From 1845 to 1847, it gained by the enormous corn export and by the increased cotton prices of 1846. It was only slightly touched by the crisis of 1847. In the year 1849, it had the greatest cotton yield it had yet had, and in the year 1850 it gained about twenty million dollars as a result of the failure of the cotton crop which coincided with the new boom in the European cotton industry. The Revolutions of 1848 were followed by a great emigration of European capital to the United States, part of which arrived with the emigrants themselves, part of which was invested in United States bonds in Europe. This increased demand for American bonds has raised their price to such an extent that a short time since, the speculators in New York threw themselves upon them with great eagerness. We therefore continue to maintain, in spite of all assurance to the contrary from the reactionary bourgeois press, that the only state-form in which our European capitalists have confidence is the bourgeois republic. There is altogether only one expression for bourgeois confidence in any state-form whatever: its quotation on the stock exchange.

"The prosperity of the United States, nevertheless, increased still more as a result of other causes. The inhabited territory, the market of the North American Union, expanded in two directions with surprising rapidity. The increase of the

[17] Aus dem literarischen Nachlass von Karl Marx, Friedrich Engels und Ferdinand Lassalle. Hrsg. von Franz Mehring. 3. Bd. Stuttgart 1902. p. 443-444. Hereafter referred to as Nachlass.

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population through reproduction in the interior, as well as through the continually augmented immigration, led to the reclamation of whole states and territories. Wisconsin and Iowa were in a few years relatively thickly populated and all the states of the Upper Mississippi territory received important additions of immigrants. The exploitation of the mines near Lake Superior and the increasing corn production of the entire lake area gave trade and shipping on this system of great inland lakes a new impulse which will be enhanced still more through an act of the last Congressional session in which trade with Canada and Nova Scotia are offered great facilities. Thus, while the Northwestern States have achieved an entirely new importance, Oregon has been colonized in a few years, Texas and New Mexico annexed, California conquered. The discovery of the California gold mines was the crowning point of American prosperity. Already in the second number, we have called attention, before any other European journal, to the importance of this discovery and its necessary consequences for the entire world trade. This importance does not lie in the increase in the amount of gold through the newly discovered mines, although even this increase in the means of exchange could in no way remain without favorable influence upon the general trade. It lies in the spur which the mineral wealth of California gave to the capitals on the entire world market, in the activity in which the entire American west coast and the Asiatic east coast were involved, in the new market for the sale of goods which was created in California and all countries touched by the influence of California. The Californian market in itself is important; a year ago there were a hundred thousand, now there are at least three hundred thousand people there who produce almost nothing but gold and take in exchange for this gold all their necessaries of life from the foreign markets. But the Californian market is insignificant in comparison with the continual expansion of all markets on the Pacific Ocean, in comparison with the striking rise in trade in Chili and Peru, in western Mexico, on the Sandwich Islands, and in comparison with the suddenly arisen commerce of Asia and Australia with California. Through California, entire new world-highways have become necessary, world-highways which must shortly surpass all others in importance. The chief trade-route to the Pacific Ocean which has only now been actually opened and is becoming the most important

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Ocean of the world, passes, from now on, across the Isthmus of Panama. The creation of connections on this Isthmus through highways, railroads, canals, has now become the most urgent need of world trade, and in places has already begun. The railroad from Chagres to Panama is already being built. An American company has had the river basin of San Juan de Nicaragua surveyed in order to connect the two oceans at this place, to begin with, by an overland route and then by a canal. Other routes, the one across the Isthmus of Darien, the Atrato-Route in new Granada, the one across the Isthmus of Tehuantepec are being discussed in English and American papers. With the ignorance, now suddenly revealed, in which the entire civilized world finds itself concerning the nature of the terrain of Central America, it is impossible to determine which route is the most advantageous for a great canal; according to the few known facts, the Atrato-Route and the road across Panama offer the most opportunities.

"In connection with the communications across the Isthmus, the rapid expansion of oceanic shipping has become equally pressing. Already boats are sailing between Southampton and Chagres, New York and Chagres, Valpairaiso, Lima, Panama, Acapulco and San Francisco; but these few lines with their small number of steamers are by far insufficient. The increase of shipping between Europe and Chagres is becoming more necessary from day to day, and the growing commerce between Asia, Australia and America demands new, vast steamship lines from Panama and San Francisco to Canton, Singapore, Sydney, New Zealand and the most important station of the Pacific Ocean, the Sandwich Islands. Australia and New Zealand especially have improved most as a result of the rapid progress of colonization as well as of the influence of California, and do not want to be separated from the civilized world a moment longer by a four to six month sail. The total population of the Australian colonies (except New Zealand) rose from 170,676 (1839) to 333,764 in the year 1848, hence increased by 95½% in nine years. England itself cannot leave these colonies without steamboat communications; at this moment, the Government is negotiating about a line in connection with the East Indian overland post; and whether these are realized or not, the need for steamship communications with America and especially California, where 35,000 emigrants went last year from Australia, will soon afford its

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own relief. One can really say that only now is the world beginning to get round, since the existence of the need for this universal oceanic shipping.

"This impending expansion of steam-shipping will be increased still more through the opening, already mentioned, of the Dutch Colonies and through the increase of screw steamships with which, as proves more and more to be the case, emigrants can be transported more quickly, relatively more cheaply and more advantageously than on sail-boats. Besides the screw steamers which are already travelling from Glasgow and Liverpool to New York, new ones are to be added to the line, and a line between Rotterdam and New York is to be established. The extent to which capital, at present, has the general tendency to throw itself on oceanic steamshipping is shown by the continual increase in the competing steamers traveling between Liverpool and New York, the establishment of entirely new lines from England to the Cape and from New York to Havre, a whole series of similar projects which are now being hawked about in New York.

"In this turning of capital to over-seas steamshipping and to the canalization of the American Isthmus, the basis is already laid for over-speculation in this field; the center of this speculation is necessarily New York which receives the greatest mass of California gold, which has already drawn the chief trade with California to itself and in general plays the same role for America as London for Europe. New York is already the center of the entire trans-Atlantic shipping; all the steam-boats of the Pacific coast belong to New York companies, and almost all the new projects in this branch proceed from New York. The speculation in over-seas steamship lines has already begun in New York; the Nicaragua Company, proceeding from New York, is likewise the beginning of speculation in the Isthmus canals. Over-speculation will very soon develop, and although English capital enters en masse in all such enterprises, although the London bourse will be glutted with similar projects of all kinds, this time New York will remain the center of the entire swindle and will be, as in 1836, the first to experience its collapse. Numerous projects will be ruined, but as in 1845 the English railway system, this time at least the outline of a universal steamshipping will result from the over-speculation . No matter how many companies fail, the steamboats, which are doubling the Atlantic commerce, which are

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opening up the Pacific Ocean, which are connecting Australia, New Zealand, Singapore, China with America and are reducing the voyage around the world to the duration of four months, will remain.

"The prosperity of England and America soon reacted upon the European Continent . . ."

Under such circumstances, a new revolution was out of the question, at least for the time being. And that was the conclusion to which Marx and Engels came in their famous review of 1850. As long as there was no conflict between the productive forces and the productive relations, a real revolution was impossible. "With this general prosperity in which the productive forces of bourgeois society are developing so luxuriantly, as much as this is at all possible within the limits of bourgeois relations," they wrote, "there can be no question of a real revolution. Such a revolution is only possible in those periods where these two factors, the modern productive forces and the bourgeois forms of production, come into contradiction with one another . . . A new revolution is only possible in consequence of a new crisis. It, however, is just as certain as the latter." [19]

(To be continued)

[18] Nachlass, p. 460-464.
[19] Nachlass. Bd. 3. p. 467-468.

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The Proletarianization of a Profession

By CHARLES P. FLETCHER

ONCE upon a time (about 60 years ago) pharmacists were dignified professional men. Now, due to the rapid monopolization by giant trusts, they are fast becoming proletarianized. In those bygone days there was no practical line of demarcation between the apothecary and the doctor. Both called upon patients and treated them. Both sold medicines with or without diagnosis. Gradually they settled on one form or the other of doing business.

Great changes have occurred since. The practice of medicine has become a highly developed, specialized and commercialized profession. Pharmacy has become an ordinary retail business, invaded by concentrated capital. Competition has forced many druggists out of business. Many of those remaining in the cities are holding out by dint of 14 hours or more labor each day, in spite of the fact that 85% are aided by legal and illegal liquor business. A study of the effects of "free competition," that darling of the petty bourgeoisie, upon the mass of druggists and mass of people will show it following the historical path of capitalism; and, since it is semi-professional, forecasts a like development among the professions, notably medicine.

About thirty years ago the big department stores began special sales on well known patent medicines. The sole purpose was to draw the mass of people into the store where they would buy other things as well. People get the false impression that everything else in the store is sold at correspondingly low prices. The nine chain stores that existed in 1900 charged full prices and druggists in general were not affected by cut price competition.

The war, as it hastened all tendencies inherent to capitalism, likewise forced the cycle thru which the drug trade began. Concentrations of capital invaded the drug trade as a safe and profitable investment. Existing chains of drug stores entered a huge campaign of buying up old stores and establishing new stores. Owners of one store, backed by additional capital, branched out with many more.

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Excess capital of other chain store corporations has accumulated to the extent that it has slopped over into the drug trade. United Cigars began its chain in New Jersey and Virginia and now has about 70 stores. It owns the United Chemists Mfg. Co. and is allied with Happiness Candy. Schulte has entered thru the manufacturing end by controlling the American Druggists Syndicate, owns V. Vivadou and Djer Kiss perfumes, Park & Tilford, Huyler's Candy and is now negotiating for the purchase of the big Owl Drug Stores chain on the Pacific Coast. The recent United-Schulte merger foreshadows greater activity in the drug business. When the corporation becomes a formidable rival of the Liggett chain a merger between them will be inevitable.

To compete with these chains in different parts of the country individual druggists formed corporations for cooperative buying. Later they manufactured and packed standard products under the corporation name. Then advertising was carried on cooperatively, putting special emphasis on corporation brands. Thus new chains were born.

Prohibition brought a large number of saloon keepers and liquor dealers into the drug trade. They tried hard to justify the little ditty:

> Hush little drug store, don't you cry;
> You'll be a barroom bye and bye.

In order to retain their liquor permits these new drug store owners had to do a large business on all other merchandise. When their "prescription" liquor business was all out of proportion to their general business, their liquor permits were revoked unless the inspectors were bribed. Since that became a very costly process, they resorted to cut prices. Certain popular items were actually sold below cost. Other private stores and chains followed suit and went one better. A general scramble for business brought increased trade, required more labor and resulted in less profits.

Drugless drug stores, selling everything but strong poison and prescriptions, invaded the trade in individual stores and chains. Groceries also have copied the merchandising principles of the variety store and almost all are selling popular patent medicines.

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There is no reasonable doubt that the present trend will continue with increasing momentum. Liggets now have over 665 stores in this country and 750 stores in England. Other chains bring the total to approximately 2,500 here. While they own only 5% of the drug stores yet these do 20% of the business, totaling $250,000,000 annually. This does not count "drugless" drug stores, mail order, grocery and department store competition.

The workers pay in several ways. The savings made by large scale buying and manufacturing are not passed on to them. Cut prices are countered by overcharge on "blind" merchandise. Years ago when druggists were consulted by workers in minor ailments a mixture was prepared for the specific case. Now the clerk dumps upon them patent medicines upon which he gets an extra commission. Even in small privately owned store time is an important factor. The pharmacist might sell two or three watches, pocket knives or wallets and profit $3 to $5 while he is filling one prescription profiting 60c or 80c. So the professional man is more interested in wallets or knives.

A profession becomes completely commercialized and now becoming monopolized by giant trusts, pharmacists are rapidly becoming a permanently hired class. Already there are 5,000 hired as managers and assistant managers of chain stores. Taken together with other employed pharmacists they probably number about 15,000. This amounts to 4% of the registered pharmacists in the country. The chain stores departmentalize their stores and employ druggists only in the prescription department, and find a body of clerks competing with them. Despite restrictions to becoming pharmacists the output of Pharmacy Colleges have increased. Proletarianization proceeds apace and the mass of pharmacists will inevitably be drawn into the vortex of class struggle irrespective of their will.

The only hope of the mass of hired pharmacists is to organize as an integral part of the labor movement and use their united strength to better their conditions of work and wages.

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Literature and Economics

By V. F. CALVERTON

(Continued from last issue)

CHAPTER II.

ARISTOCRATIC LITERATURE.

THE class that ruled during the days of feudalism was the aristocracy. It was the aristocracy that determined literary doctrine and literary taste. The artist was neither free nor heroic. He expressed the sentiments of his age. His art was devoted to the ethics and esthetics of the aristocracy.

The Elizabethan Age is usually considered as the golden age of English literature. Its poets and dramatists are often viewed as free, empyrean spirits, unfettered by time or taste. In reality, however, we find that instead of heroes they were but the trifling expression of "The most unprofitable of His Majesty's servants."[1] Treated as cooks, manufacturers of ephemeral confections to please the palates of their superiors, these men of spirit and song were regarded as "drunken parasites" and "beggarly wretches."[2] "Thou callest me Poet, as a term of shame," exclaimed Jonson.[3] And the actors and dramatists who gave life to a literature whose dithyrambic beauty has never been surpassed were classified as rogues and vagabonds. The literary artist, in fact, scarcely ranked as high as an ordinary wage-earner in financial status, except that he could solicit the favors of the aristocracy and attain a security dependent upon the magnanimity of his patron. He had to pander if not beg to live. His economic status forced him to express the esthetic taste of the aristocracy. The earnings that a writer derived from his work were comparatively infinitesimal. Without other aid, their brevity was sufficient to eclipse his inspiration. Jonson, the most famous and successful dramatist of the day, the cynosure of Elizabethan Thespians, earned about £44 (in modern money) a year, and, in truth, as he stated to Drummond, he "never gained £200 for all the plays he had ever produced." The only branch of writing in which Jonson was engaged that gave him a remuneration beyond the merest pittance was that of masque-writings, and even from this sport of the pen he derived, in a whole career of forty years, not more than £720. In contrast the expenditures of the aristocracy in staging these masques should be noted. One of Jonson's efforts *The Masque of Queens,* written in 1610, was staged so stunningly that its final cost was over £719. This was mild expense, however. A sum of £3,600 for instance, was spent in staging *The Hue and Cry after Cupid,* one of Jonson's best masques,

1. Jonson Neptune's Triumph.
2. The Literary Profession in the Elizabethan Age. Ph. Sheavyn.
3. Epigrams—to My Lord Ignorant.
4. The Literary Profession in the Elizabethan Age. Ph. Sheavyn.

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which was presented, "at court on the Shrove Tuesday at night 1603", to celebrate Lord Viscount Haddington's marriage.

The Elizabethan artist, like all of the artists of feudalism, found the device of patronage his only escape from starvation. A few writers turned to acting, "the basest trade" as it was proverbially known, but the reward was so discouragingly small that patronage became the next resort. There were few other means left to the author whereby he could earn a living. John Wolfe offered the opportunity of translation, an experience in hack-work, to a limited number of the craft. Ballad-scribbling presented a simple medium for literary prostitution. University fellowships demanded too many qualifications and were encumbered with too many entailments to be an important source of assistance to any but the dessicated scholar. Samuel Daniel and William Browne supported themselves by private tutoring; Cadmen, Coland, and Shirley were regular teachers. The life of the author in general, however, was dismal, insufferable, hopeless without the aid of a patron.

This practice of patronage, deeply rooted in the economic basis of feudal society, injured poet and dramatist. Monastic patronage had disappeared with the predatory English Reformation, and it was to the feudal lord that the artist had to appeal. The Earl of Southampton, for instance, was Shakespeare's patron; Leicester, not with untainted purity, was Spenser's; Herbert (the possible W. H. of the sonnets) was Daniel's. It was the economic element involved in the relationship of the author to his patron that bred danger. Spontaneity was often transformed into sycophancy, and servility became a literary virtue. The author too often looked to his superiors for favor and commendation. This tendency speedily became a habit. Even so acute a mind as that of Francis Bacon solicited the King for "a theme for treatment" in this fashion:

> I should with more alacrity embrace your Majesty's direction than my own choice.

Churchyard, in justification of his earlier obsequiousness in his dedication to Sir Walter Raleigh, declared that he showed "a kind of adulation, to fawn for favor on those that are happy," because "it is a point of wisdom which my betters have taught me . . . . I take an example from the fish that follow the stream." Even Massinger in the Prologue to *A Very Woman* apologized for his subject by claiming that his financial needs kept him from refusing "what by his patron he was called unto." In this sordid rivalry between authors for the favor of the patron almost all Elizabethan writers, including Shakespeare, were involved. And the jealousies of authors, it should be observed, were fostered much more *by economic motives than by egotistical.*

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Only a change in social evolution was to alter and shift the situation of the author. Without this change Jonson could never have rebuked Chesterfield or Swift satirized the dedicatory insincerities of his predecessors. It was, in short, a change of social system, the decay of feudalism and the rise of commercialism, the decline of the aristocracy and the advance of the bourgeoisie, that brought about a cessation of the practice of patronage and the introduction of a partial though often precarious independence of the author.

In the prevailing critical attitude of the time, however, we discover a distinct reflection of the influence of class psychology upon literature. In tragedy, for example, it was the aristocratic conception that dominated. The *aristocratic conception* of tragedy was an expression of the social and economic life of feudalism. It revealed the supremacy of the aristocracy. It gave voice to its ambitions and aims.

Now what was the aristocratic conception of tragedy? In brief, it was a conception that ruled out of tragedy all characters of inferior rank. Tragedy was to express the superior classes of society. Only the noble and the illustrious were to be included. To conceive of tragedy, at this time, as being written about a bourgeois or a proletarian character would have been literary sacrilege. If, for a moment, we consider the writings of that French classicist, Abbe d'Aubignac (1604-76), we shall discover an explicit statement of this attitude. Tragedy, says d'Aubignac, "inheres not in the nature of the catastrophe but in the rank of persons."

This conception of tragedy, it is necessary to emphasize, was not peculiar to one or two nations or to one or two individuals. It was a conception that prevailed wherever feudal aristocracies dominated. It is this fact which is clear and demonstrable proof of the determining effect of social struggles upon literature.

If we turn to others in France, we discover the same sentiment. The aristocratic conception of tragedy was defended by all of the French classicists: Pellitier Ronsard, de Landan, Vauguelin de la Presnay, Pelet de la Mesnardiers. Even Joubert, in the famous *Encyclopoedie,* declared that tragedy is:

> The imitation of the lives and speech of heroes, subject by their elevation to passions and catastrophes as well as to the manifestations of virtues, of the most illustrious kind.

Voltaire, for example, who, because of his scorn for Christianity and its literature, is known as a rebel, nevertheless, did not deviate from the aristocratic conception. In his preface to Herod and Marianne (1725), he wrote.

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> All tragic pieces are founded either on the interests of a nation, or on the particular interest of princes.

In his *Discourse on Tragedy* (1730) we find him stating:

> In tragedy is represented the ambition of a prince; the object of the latter (comedy) is to ridicule the vanity of the middle class parvenu.

In Germany the situation is a striking parallel. Opitz and Gottsched, the German pseudo-classicists, who directed literary taste in Germany for over a century and a half, the former during the most of the 17th and the latter during the first half of the 18th, were devoted proponents of the aristocratic attitude. Anent the nature of tragedy and the aristocratic conception their statements are clear and unequivocal. In his Buch von der Deutschen Poesie (1624) Opitz declared:

> Tragedy . . . . seldom permits the introduction of people of humble or common deeds, because it deals only with royal decrees, murders, despairs, slaughters of fathers and children, fires, incests, wars and rebellions, lamentations, outcries, sighs, and the like. Comedy has to do with ordinary matters and persons; it speaks of weddings, banquets, games, tricks and knaveries of serving men, bragging foot-soldiers, love affairs, frivolity of youth, avarice of old age, match-making, and such things which daily occur among the common people.

Gottsched in his Versuch einer Critische Dichtkunst von die Deutschen (1730) confirmed the same distinction:

> If you wish to make a comedy of your subject, the persons must be citizens; for heroes and princes belong in a tragedy. Tragedy is distinguished from comedy only in this, that, instead of laughter, it tries to arouse wonder, terror and pity; therefore it usually concerns itself with men of birth only, who are conspicuous by their rank, name, and appearance. In an epic, which is the masterpiece of all poetry, the persons must be the most impressive in the world, kings, heroes, and great statesmen, and everything in it must sound majestic, strange and wonderful.

The very titles of certain of the romances and tragedies of the period are an interesting and significant index to its social trend: Bucholz's *Pleasant Romance of the Christian Royal Princes Herculiscus and Herculadisla and their Princely Company* (1659); Ziegler's *The Asiatic Banise, or Bloody but Courageous Pegu, Based on Historic Truth but Covered with the Veil of a Pleasing Story of Heroic Love-Adventure* (1688); *and Lohenstein's The Magnanimous General Arminius, with his Illustrous Thusnelda, Held up to the German Nobility as an Honorable Example and for Praisworth Emulation* (1689).

In Italy, the humanists were in entire acquiescence with the aristocratic conception. Nor in England, did the critics dissent.

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Puttenham, Gossen, Webbe and Harrington all defended the aristocratic conception of tragedy. Ben Jonson, for example, maintained that "dignity of persons" was necessary if tragedy is to possess elements of the sublime. Rymer contended that tragedy "required not only what is natural, but what is great (noble) in nature." Congrave declared that tragedy

> distinguished itself from vulgar poetry by the dignity of its characters.

Dryden asserted:

> tragedy, as we know, is wont to image to us the minds and fortunes of noble persons.

And Goldsmith as late as 1772, in his Essay on the Theater, alleged that:

> tragedy displays the calamities of the great, so comedy should excite our laughter by ridiculously exhibiting the follies of the lower part of mankind . . . .
>
> the distresses of the mean by no means affect us so strongly as the calamities of the great. When tragedy exhibits to us some great man fallen from his height, and struggling with want and adversity, we feel his situation in the same manner as we suppose he himself must feel, and our pity is increased in proportion to the height from which he fell. On the contrary, we do not so strongly sympathize with one born in humbler circumstances, and encountering accidental distress.

As an example of how faithfully the aristocratic conception of tragedy was observed let us turn from the rhetoric of critics to the practice of dramatists. To illustrate our point we need but take the example of Shakespeare as adequate. His dramas are a fitting example of the application of the feudal concept. Shakespeare did nothing more than represent the esthetic conception of his period, that is, the conceptions of the feudal nobility which was the reigning social class during the Elizabethan era. No one denies genius to Shakespeare's poetry, and yet no one better exemplifies our contention that the style and content of an artist's work are determined by the social systems under which he lives. In brief, the artist is not free of his social and economic environment, but made by it.

In weaving every one of his tragedies about the struggles of the noble and the illustrious, Shakespeare violated no concept of his age. In fact, he expressed, in actual drama, the aristocratic conception of tragedy. Both commoner and the bourgeois were subjects of humor and satire, the means of affording comedy to the situation and relaxing thousands in the drama. The humbler classes, as they were called, appear often under titles themselves ridiculous enough to indicate the nature of their treatment: Quince, the Carpenter; Snug, the Joiner; Starveling, the Tailor; Smooth,

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the Silkman; Bottom, the Weaver; and Flute, the Bellows-maker. In *A Midsummer Night's Dream,* for instance, most of the trades are ridiculed. In all of Shakespeare's works with but a few exceptions, one in *Richard II,* where we find a loyal servant, another one in *A Winter's Tale,* two in *Anthony and Cleopatra*—all servants, in *Cymbeline,* still another in *King Lear,* several in *Timon of Athens,* shepherds, or soldiers, who are pictured as faithful and honest—we find unflattering pictures of both proletarian and tradesman. Of the lower class as a whole, the dramatist is even more satirical. In one place characterized as "hempen-homespuns", another as "the barren sort," in still another as "mechanic slaves, with greasy aprons, rules and hammers"; he goes still further in *Coriolanus* to speak of the "stinking breath of the commoner" and decrying them as "the mutable, rank-scented many," "garlic eaters," "multplying spawn," "worthless peasants," "rude unpolished hinds," all phrases consistent with the aristocratic attitude of the time.

In *Hamlet,* Shakespeare laments the seeming rise of the lower strata and declares that "the age has grown so picked, that the toe of the peasant comes so near the heel of the courtier, he galls his hide." Then in Henry IV he sneers at the famous rebellion of Wat Tyler, the "damned commotion," which he describes as coming "in base and abject routs, led on by bloody youth, guarded with rags, and countenanced by beggary." In Pericles the dramatist proclaims that "princes are a model, which heaven makes like to itself," and in *Henry VI* he has the Duke of York denounce the "meanborn man" and in Henry VI Joan of Arc is made to speak of her "contemptible estate."

The work of Shakespeare, in its observance of the aristocratic conception as we have said, was the rule and not the exception. It was characteristic in France as well as England, in Germany as well as in Italy.

In conclusion, it is obvious that the nature of the literature of this period in world-history was determined by the aristocratic class which was dominant under the economic system of feudalism.

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The Economics of the Coupon-Clipper: A Review

by Bertram D. Wolfe

The Economic Theory of the Leisure Class, by Nikolai Bukharin. International Publishers, New York City. 220 pp. $2.50.

ONCE the specter of proletarian revolution had presented itself, even tho only in embryonic form, bourgeois social science completely lost its theoretical courage. It became terrified at the neccesity for considering social forms historically and set about trying to conceal from itself the specific differences between the capitalist system and other social systems hoping thereby to prove that all existing social forms are eternal. It carefully avoided penetrating to the essence of social phenomena and began to cencern itself as busily as possible with superficial appearances. The economist became a sort of glorified bookkeeper taking over and attempting to justify all the illusions and petty calculations of the economically illiterate business man. He abandoned the attempt to develop a theory of economics and in its place developed "theories," dealing with every superficial or merely temporary phenomenon, no two of which theories could be fitted together to make a systematic science of economics.

In general bourgeois social science as a whole took two forms of refuge from the necessity of being scientific. It became either intellectually nihilist or eclectic. That is to say, it either denied the possibility of constructing a systematic social science altogether, or it raised its fear and avoidance of system to a system and proceeded to collect scraps and odds and ends without any effort to relate them. Thus faced with the fact that a study of the essential character of capitalism leads to an understanding that it is not eternal and provides the proletariat with a weapon of criticism which is destined to develop into "the criticism of weapons," the bourgeoisie was moved to commit infanticide and destroy its own child, political economy.

The only exception is the so-called Austrian school — the "economic theory of the leisure class." Here, at least, is an attempt to grasp economic phenomena as a unitary whole. True the heart of economic phenomena; the problems of production and reproduction, are left out, but it is just because the leisure class is able in its own life to omit that "unpleasant

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detail" that it is able to approach "what is left" systematically. Since it is precisely in production and reproduction that the dynamics of economic development and the law of motion of capitalist society are discoverable, it is easily possible for the Austrian school to develop a timelessness in their economic categories and substitute the static for the dynamic consideration of economic phenomena. And since it is precisely in the "relations of production" that class relations and the class struggle are discoverable, by leaving out the consideration of production, the class struggle can be done away with altogether without any violence to the economic system constructed by the Austrian School.

The Austrian school of Economics is today the official school of economics in so far as there is one. And because of its systematic character, it is the most formidable opponent of Marxism in the ecoromic field. It does not combat Marxism merely selecting isolated points, by slipping from one objection to another, by pecking and poking at it, but it rejects the whole Marxism system as untenable and offers a complete rival system of its own. Hence Marxists have long felt the necessity of meeting and giving battle to the champions of the Austrian school. Before the publication of this book by Bukharin, the only Marxian answer to the Austrian school available in English translation was Rudolf Hilferding's "Boehm-Bawerk's Criticism of Marx" published by the Socialist Labor Press of Great Britain. To this must be added Louis B. Boudin's "Theoretical System of Karl Marx", written in America. Both of these books are defensive in character, and in Boudin the answer to the Austrian school is only incidental to a general defense of the Marxian system against its various types of critic. Hilferding's little pamphlet (of only 80 pages) presents an able defense of the Marxian system against the attacks of Boehm-Bawerk but assumes the offensive only enough to expose the class origin and methodological weakness of Boehm-Bawerk's theories. Bukharin in the present work, however, assumes the offensive, goes into the enemy's territory and occupies it completely.

Bukharin does not limit himself to Boehm-Bawerk but studies all the variants and derivatives of his followers as well, not omitting the American school of Clark, Carver and Co. Nor is he content merely to expose the class origin and methodological weakness of the Austrian School and its derivatives. He relentlessly pursues their anaylsis in all major fields and ramifications until he has completed an exhaustive criticism of the internal phases of their system, exposed its shallowness, its question-begging, its vicious circles, its habits of not letting one page know what the other page is saying, its pompous absurdity, its inability to explain basic phenomena, its flight from economic reality to deserts and enchanted islands. Hilferding contented himself with tearing the fabric of Boehm-Bawerk into a few large pieces. When Bukharin finishes with it, however, it is torn into such little bits that they can no longer be patched together and there is nothing left that is any longer decipherable.

The title of the work is an index to the social roots of the Austrian School as exposed by Bukharin. In German the work is published under the title of "Die Oekonomie des Rentners" and the American publisher, Comrade Trachtenberg, was at first in doubt as to whether it should not be entitled in English "The Economic Theory of the Coupon-Clipper", but

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finally decided that the term "leisure-class" already popularized in the excellent work of Veblen, was preferable. As Bukharin demonstrates, the economic system of the Austrian school is nothing but the "theorization" of the vulgar psychology of the **rentier.**

The **rentier** or "coupon-clipper" is a sign of a mature capitalism. Nascent capitalism is progressive and revolutionary. The capitalist is still close to the working class and only beginning to differentiate himself from the worker. He still plays a role in production. Hence work, and the study of the process of production plays the central role in the economic theory of the Classical School which formulated the labor theory of value altho it formulated it subjectively and without succeeding in eliminating various contradictions. But as capitalism grows old there arises a class that makes its money more and more out of speculation, out of dealings in the stock exchange. This class is far removed from the sphere of production. The speculator may make money out of such manipulations as are involved in betting that a given factory is going to shut down or that a given industry is going to be ruined. (selling short).

Still farther removed from the sphere of activity, since he is removed even from the turmoil and "work" of the stock market, is the true **rentier** or modern leisure class. They are the investors in government bonds, tax exempt municipal securities, gilt edge bonds, reliable preferred stock, the slow-moving relatively dependable issues that yield a sure interest so that the possessor (if he owns enough of them) can live on his income. He has no connection with production, whatsoever, except that in the last analysis his "income" is derived from surplus value produced somewhere in the process of production, but this he does not know and this the economic theory of his official theoreticians is at great pains to conceal.

For the modern coupon-clipper, everything is done. He does not even have to decide what issues to invest in. A broker will decide that for him. He may derive profits from an industry without knowing anything about it. He may be getting money from a Passaic textile mill without knowing the first thing about textiles or where Passaic is. He may leave his money with a broker and go off to Florida or California, Paris or the Riviera, Mars or a crazy house, and still continue to draw his income. Recently American banks have been advertising that they will watch the stocks and bonds of their customers for opportunities to convert into superior issues, and even that they will clip their coupons for them and deposit the proceeds to their accounts. Even the arduous labor of clipping coupons is eliminated! Any wonder that the economic theory of the **rentier** becomes separated from production and from the social process in general, becomes purely individualistic, purely subjective, and arrives at the conclusion that goods have value because he **consumes** them?

The **rentier** class is relatively new in the United States where capitalism is still vigorous and expanding. The **rentier** is only developing now. For this reason the American economists do not follow the Austrian School slavishly but tend to handle it also eclectically, blending it with such economic theories as are a reflex of the psychology of the trust promoter and merger and syndicate manager. This makes for many differences which American marxists must analyze following the rich store of suggestions and indications made by Bukharin in the present work.

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Thus the American school under the leadership of John Bates Clark declares "Economic **activities** rather than economic goods, form the subject matter of the science." (Marshall, Carver). These "activities" according to Carver are "production, consumption and valuation". (which reveals the hopeless eclecticism of the American school). Carver makes "wants of the community" rather than the wants of the evaluating individual the basis of value. The Americans accept the "social-organic" method of investigation and reconcile it the non-social and purely individualist Austrian theories. They do not accept Boehm-Bawerk's theory of profit as based on the difference in value between present and future goods, which is an essentially passive theory in which mere "waiting" is the source of profit. But they substitute the theory of entrepreneurship as the source of profit. Thus Clark wrote a recent article entitled "How a man could be an entrepreneur only"; and Tuttle of Wesleyan University is steadily occupied in seeking to show "justification" for an entrepreneur deriving profit from absente-owning. He even defines the joint stock company as the "minute subdivision of the function of the entrepreneur."

"Thomas Nixon Carver by no means contents himself with viewing meteors that have fallen from the skies, but analyses, above all, goods that have been produced." (Bukharin).

And the Americans, because they are closer to the class struggle than is the true **rentier,** accept the theory that class conflict is involved in such concepts as capital, wage labor etc., but hold that classes are being wiped out in America by high productivity, a high wage rate, trade union capitalism and the theory that the working class as a whole is becoming bourgeois thru the accumulation and investment of its savings, thru employe stock-ownership etc. These theories, already latent in Carver's "Distribution of Wealth" (1904) and in Clark's book of the same name (1908) — the very titles of which are illuminating — is fully developed in Carver's latest work " The Present Economic Revolution in the United States."

It is particularly important that Bukharin's book with its devastating critique of the Austrian School and its variants be given as wide a distribution as such a work can possibly get. Bourgeois economics is especially influential in America because of the weakness of American Marxism, because aside from the Workers School of New York there is no working class because American intellectuals are influenced by the Austrian school, because aside from th Workers School of New York there is no working class school of any importance in which Marxian economics is taught and the Workers Education Bureau officially accepts university professors as teachers of economics. And America, not having gone thru its 1848 or 1905, but having been born "bourgeois", has never had such a phenomenon as the "legal marxism" of the Russian intelligentzia or the **Catheder-Marxismus** of Germany or its analog among the Italian University professors such as Loria.

The International Publishers have done a big service to the cause of American marxism by getting out this book and as usual with their publications it is well-printed, well-bound and well-translated. But the otherwise excellent translation is unfortunately marred by the substitution of the term "available capital" in place of "variable capital" in the familiar formula C + V + S. (p. 123 and p. 151.)

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Was Marx Wrong?

An Answer to Sorokin... and Others

By BURN STARR

Social Mobility. By Pitirim Sorokin. Harper Bros., New York. 559 pp. $3.75

THE most recent attack on Marx is that of Pitirim Sorokin, a Russian emigree, now a professor of sociology at the University of Minnesota (Russians can get jobs at capitalist universities, if they are on the safe side). In his new book, SOCIAL MOBILITY, Sorokin, like most bourgeois sociologists, is vehement in his claim that he seeks the "truth."

The anti-communist psychosis of this "impartial" scientist often manifests itself in symptoms well known to psychopathologists. His reference to Plato's REPUBLIC, and Aristotle's POLITICS, for example, reflects an abnormal twist or what these scientists call "projection:" "Recently rereading these works, I have been struck by the identity of the picture of ancient tyranny drawn by Plato and Aristotle with that of the Russian Revolution and the Bolshevist picture. Even the details in almost all cases appear to be identical." His obsession of hatred against Communists pervades the book expressed sometimes in the form of suave insinuations, sometimes in incidental derogatory remarks and other times in untempered abuse. His pretended search for "truth" therefore leads him to his bitter criticism of the theories of Marx, in spite of the fact that most of his evidence contradicts him.

His attack on Marx begins with a distorted, garbled quotation from the Communist Manifesto giving an oversimplified dramatic picture of Marx's views which might serve as a convenient straw man for him to annihilate. His first broadside then reads: "In all European countries and in the United States, since the second half of the nineteenth century up to the time of the World War, the economic conditions of the laboring classes have been improving and not becoming worse, as Marx predicted." As with all "impartial" scientists looking for the "truth" he selects his data to fit his preconceptions. Among the supporting authorities, he quotes Giffen and Wood whose studies as he undoutedly knew, have no statistical validity whatsoever, have not an iota of value and are discredited even by capitalist economists. Beveridge of England, to whom he refers as if he substantiated his position, can be quoted against him: "All these special influences favor capital versus labor. Of all our economic indexes, that which shows the worst, that which alone shows no progress at all from 1900-1910 is real wages, the reward to labor—that which alone shows continued progress at the full Victorian rate is exports—to be explained in a large measure as the surplus profits of capital." The studies of Rubinow, Douglas and Soule which temper the acclaim about the great prosperity of the American workers, are not mentioned. Hansen's index numbers, quoted to prove the increased welfare of the workers, show an index of real wages of 129 in 1923 compared to 100 in 1892, a sorry

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"improvement" of the condition of the workers when one bears in mind the phenomenal increase in wealth due to increased production. Whatever absolute improvement there may have been in the income of the workers, relatively it was infinitesmal compared to the profits accumulated by the capitalists.* This is the gist of the matter. When Marx spoke of the increased exploitation of the workers, he meant that the worker would get a smaller share of the product of his labor as production and surplus value increased: "Within the capitalist system, all methods for raising the social productiveness of labour are brought about at the expense of the individual labourer... But all methods for the production of surplus value are at the same time methods of accumulation; and every extension of accumulation becomes again a means for the development of these methods. It follows therefore that in proportion as capital accumulates, the lot of the labourer, **be his payment high or low** (bold face mine) must grow worse." Sorokin's attempted refutation of Marx, the stock-in-trade likewise of Simkovitch and a host of others, not only fails because the "increased prosperity" of the workers is more apparent than real, but because it is based on misunderstanding and error as to what Marx meant when he spoke of the increased exploitation of the masses.

Sorokin continues: "No more fortunate has been that part of the theory which predicted the impoverishment and disappearance of the middle economic classes and the concentration of wealth into fewer hands." Marx looked for the proletarization of the "lower strata of the middle class—the small tradespeople, shopkeepers, and retired tradesmen generally, the handicraftsmen and the peasants." Sorokin himself, presents data to substantiate this prediction in another connection, but here while attacking Marx, he again uses old faulty statistical studies. He does not mention the recent phenomenal development of chain-store systems which are driving small merchants, druggists, bakers, clothiers, confectioners and others of the lower strata of the middle class into the ranks of the employed by the reasons which Marx gives, namely because they have insufficient capital to compete with the large capitalists and because specialized skill is rendered worthless by new methods. In maintaining that there is no marked tendency of concentration of wealth into fewer hands he quotes King's early study. The later and more thorough study of the United States Federal Trade Commission leads to a contrary conclusion. Its analysis of court records of 43,512 estates showed that about 1 per cent of the estimated number of the deceased owned about 59 per cent of the estimated wealth, and more than 90 per cent was owned by about 13 per cent of the deceased. The average value for all estates was $3,800 but over 91 per cent of the deceased had estates amounting to less than this

*Editor's Note: The world war and the post war decline of European capitalism and the subsequent attempts at "stabilization" at the expense of the workers have brought an absolute as well as relative decrease in income to the working class of Europe.

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average. Not only is the concentration of wealth more stupendous than ever before but, that it is increasing is shown by the fact that the number of millionaires in America has almost tripled since 1914.

It is to be expected that Sorokin would be one of the oratorical revolutionists of Carver's "present economic revolution in the United States" and prate about diffusion of ownership as an argument against the reality of the concentration of wealth. He comments after presenting data on the increase in the number of stockholders: "Perhaps it is too much to say that this process is a great revolution, but it is not an exaggeration to say that it is enough to disprove completely the theory of Marx. Concentration of industry does not mean at all a concentration of wealth in fewer and fewer hands, as Marx thought." But a multiplication of stockholders is not equivalent to the democratisation of corporate ownership. The statistics of 1923 reveal overwhelming concentration: 600,000 stockholders or 4 per cent own 75 per cent of individual holdings: 13.3 per cent of the stockholders own 87.9 per cent while 8,000,000 stockholders or 53.3 per cent own only 4 per cent. Ripley and others have shown that stock diffusion within these limits, gives more, not less, power to the larger stockholders, because it intensifies the separation of ownership and management.

Sorokin, Carver and others also imply that diffusion of ownership in the form of employees' stock ownership, is leading to the "bourgeoisification of the working class." Employees' stock ownership is over thirty-five years old yet only one-tenth of one per cent of the corporations in the United States sell stock to their employees, surely not a very imposing percentage. Of the total of $700,000,000 invested by employees in stock, $425,000,000 is owned by 269,239 employees of 13 large corporations, which indicates the extraordinarily limited scope of the movement. In these 13 corporations, employees own approximately 4,000,000 shares, common and preferred, or only about 4 per cent. But the general average is even less than that. The Federal Trade Commission concluded that employees, in 1922, owned only 1.5 per cent of the common stock and 1.9 per cent of the preferred. And it is not the proletariat or former proletariat who own these shares but supervisor or management employees, "key men" and other better paid workers. The mass of wage earners, even in the corporations that sell stock to their employees, do not participate in buying stock; they must skimp on their meagre earnings to keep themselves and their families in shelter and in food. The class struggle can never be tempered, and the proletariat made capitalists by employee ownership at this rate. The danger lies only in the fact that many workers will be deceived by the tremendous campaign of propaganda which makes them believe, even in spite of reality, that they are potential capitalists, through this means of acquiring stock.

But the way of a proletarian who would become a capitalist is hard and is getting harder. Even Sorokin is obliged to admit this against his will: " ... children of common laborers enter principally occupations of unskilled and skilled labor. Only a relatively small

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part of them succeed in entering the higher professional occupations becoming managers and owners of big business enterprises. On the other hand, the children of the professionals and successful business men, in a great majority, enter the professional and business and privileged occupations. Only a small part of them become artisans, skilled and especially unskilled laborers. ... there are cleavages not so much between occupational groups in the narrow sense of the word, as between bigger social subdivisions ... In a class composed totally of different groups of unskilled and semiskilled labor, there appears to exist a community of interests, habits, ideologies considerably different from those of another class composed totally of professional and business groups. These differences being reinforced by differences in economic status of such classes, create a basis for what is styled as the present class-differentiation with its satellites in the form of class antagonisms and class frictions. Thus far the partisans of the class struggle may have a basis for their activity and their propaganda." Sorokin does not acknowledge, however, that this is as Marx anticipated.

The conclusion of the increasing stratification of classes is further substantiated by the results of Sorokin's study of American millionaires and multimillionaires. Only 4 of the 248 living millionaires are sons of workers. The percentage of those who started their careers already wealthy is almost twice as high among the living millionaires as among the deceased millionaires. The rigidity of class lines is further shown by Tanquist's study of a miscellaneous group of people, in Minneapolis, which reveals the fact that changes in the economic status of father and son have not been increasing during three generations. After hedging, Sorokin begrudingly admits: ... "if it is agreed that since the end of the nineteenth century and up to 1915 'booms' have practically ceased in the history of the United States, because of the dimunition of natural resources of the country and the increase of the population, then perhaps the above results do not appear altogether strange and improbable." To him, however, this rigidity of class lines "is not very important."

He knows that it is important to the proletariat and therefore he fears and hates them as he recognizes their discontent: "The behavior of the 'proletarian class' (manual as well as intellectual) has exhibited an extraordinary degree of irritation, and a proclivity to disorders on account of any and every cause and under the most trifling pretexts." His panic gets so much the better of the "scientist," that like a frightened child he feels that he can ward off his antagonists by calling them names. He therefore sputters that the proletariat are recruited principally from the failures of the upper strata and from the less intelligent elements of the lower classes incapable of ascent, "people who are less intelligent and capable, who are failures, who have many defects in health, in character, in mind and who do not have an integrity of human personality." Ten years have passed but he is still trembling from the experience of his flight from Russia. He sees the tremendous influence Russia has had in awakening the exploited of the world and he tries futilely to stem the rising tide by his counter-revolutionary propaganda disguised as science.

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The Negro in American Fiction

Nigger Heaven. By Carl Van Vechten. Alfred A. Knopf, New York.

TO THE writer of fiction, the everyday life of the American Negro offers a wealth of dramatic material. Here is a group of people whose every moment, from birth to death, is a struggle with the forces of hatred, prejudice and exploitation.

This material has been either neglected, or else abused. Possibly one hundred novels, all told, have been published, which deal with some phase of Negro life. Most of these novels are so bad as to be practically unreadable. Hundreds of dramatic incidents and situations in the life of the American Negro have remained absolutely untouched by fiction; many others have been shamefully mishandled.

For example: I know of no novel since Mrs. Stowe's **Uncle Tom's Cabin** which deals with the Underground Railroad. On the other hand, I have seen collections of documents relating incidents of underground railroad travel, any one of which would furnish the theme for an excellent story. I have never read a novel having for its theme the fierce slave revolts of the 1820's and 1830's. Then there is the Ku Klux Klan: aside from the trashy and fiercely prejudiced stories of Dixon, **The Leopard's Spots** and **The Clansman,** I have seen no novel of the Klan of reconstruction days. As for the Klan of today—how well a novelist like Sinclair Lewis might draw, if he would, the picture of the typical Southern Klansman!

And yet, here is material for a literature of struggle and movement: race riots; peonage; the chain gang; lynchings; intermarriage laws; residence segregation lines, unwritten and often illegal, but none the less rigidly enforced (what a story the stoning and trial of Dr. Sweet would make!) sweeping migrations, fierce and repeated attempts at organization.

Some of this material has been used, and well used. The colored novelist, Charles Chesnutt, was a pioneer in this field; his novels deal with peonage and the chain gang, with miscegenation and race rioting. His short stories of the color line within the color line, the snobbery of the lighter-skinned members of the race, are delightful satires. Walter White's **The Fire in the Flint** blazes a new trail in the use of such material: It takes for its theme an actual event, the riots at Elaine, Arkansas, in October, 1919, growing out of the organization of the exploited tenant farmers. Clement Wood's **Nigger** — probably the best novel on Negro life yet written,—carries a colored family through three generations—slaves, tenant-farmers, proletarians. That part of his story dealing with the bright hopes and bitter disappointments of the world war is an excellent piece of work.

But these books are exceptions. The Negro in American fiction, particularly in the fiction written by white men—has nearly always been one of three things: a beast, to be crushed as a menace to civilization; a buffoon, a subject for laughter and condescending amusement; or a child, pleasing and harmless, never to be taken seriously. In the first spirit are written the novels of Dixon, and the slightly less vicious **Call of the South,** by Durham. Mark Twain used the Negro for comedy relief, as have Octavus Roy Cohen and many other story writers. Heyward's **Porgy** shows the

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Negro as a pleasant child; so do the countless "mammy" and "faithful servant" stories which publishers inflict on us.

Such a consistent disregard of the possibilities of a serious and realistic treatment of Negro life and character is no accident. Literature in this phase, as in every other, reflects the ideology of the master class, and the master class of this period has two very good reasons for not wishing to take the Negro seriously. The Negro as beast, buffoon, or undeveloped child is still a fit subject for exploitation; the Negro as a thinking, fighting, human being is a menace to the exploiters. And there is a second reason: the Negro is overwhelmingly working class. Now the worker and the farmer are not supposed to be proper subjects for a novel; fiction is supposed to concern itself — and usually does concern itself,—with the millionaire, the king and the queen, the successful business man, the servant girl elevated to power and wealth. What a storm Zola raised because he considered the life and struggles of the miners of France a fit subject for a novel! Even today, the hero of a novel is very seldom less than petty-bourgeois, burning with the desire for a successful career.

Even the Negro novelists have not been free from this fault. Most novels of Negro life by Negro authors deal, not with the colored worker —the longshoreman, the steel worker, the tenant-farmer—but with the colored doctor, lawyer and editor. The plight of the colored intellectual is an important phase of American race relations, and should not be neglected. But many novelists of both races consider nothing else. Stribling's **Birthright**—a good story in many ways—deals only with the educated Negro, the Harvard graduate. The characters of Fauset's **There is Confusion** are a group of painfully well-bred and highly talented colored men and women. I could multiply examples endlessly.

Even in the few novels which deal with the worker and peasant of the colored race—as the stories of Chesnutt—the colored man is seldom the main character. The pictures of Negro life are incidental to the life and love—and very sloppy, gushy, sticky love it usually is—of the white aristocrat.

* * *

CARL Van Vetchten, in his **Nigger Heaven,** makes a plea for the use in fiction of the everyday incidents of Negro life. But he fails to heed his own advice. In Van Vechten's eyes, Harlem is divided into two groups—the intellectual, and the criminal. One might imagine that the worker, who is certainly in a majority in Harlem, does not exist. The earlier part of the book contains many good passages. But what a conventional and melodramatic plot! The hero, a young intellectual, falls into the clutches of a beautiful, wealthy and unscrupulous woman; she drives him from her home; he vows revenge; armed with a pistol, he lies in wait for her in a cabaret . . . . . what trash! A good part of the book seems to be devoted to proving that the Negro idle rich set is as rotten and as useless as the white idle rich set. Quite likely!

* * *

SOME day, perhaps, a writer will take this wealth of material, and turn it into a powerful story of the struggles and hopes of the ten million colored workers and farmers of America—a sweeping "Germinal" of Negro life. Meanwhile, reading fiction that deals with the Negro is something of a job.

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Sobs of a Social Worker

I am a Woman—and a Jew. By Leah Morton. J. H. Sears and Co., New York.

Sing a song of "Welfare,"
A pocket full of tricks
To soothe the weary worker
When he groans or kicks.
If he asks for shorter hours
Or for better pay,
Little stunts of "Welfare"
Turn his thoughts away.

Sing a song of "Welfare"
Forty 'leven kinds,
Elevate your morals,
Cultivate your minds.
Kindergartens, nurses,
Bathtubs, books and flowers,
Anything but better pay
Or shorter working hours.

Will Herford.

Leah Morton started "social work" at eighteen, married one of the same dismal tribe, and soaked in charity for twenty years. Such a fate merits pity, but Leah loved it—she slops over with idealism, welfare and scientific uplift.

Welfare work exists to take the revolutionary edge off poverty. It is the very thin worm on the very sharp hook of the boss. It had a mushroom growth during the labor shortage years of the war and in the years of unrest following the Russian revolution (it was wise at that time to furnish much dope for the workers!) Social work includes inexpensive welfare work in the factory—study classes, tennis courts, etc.—and legal and medical aid, recreation and athletics, boys' and girls' clubs, or what have you.

Most of this work is done from the social center, which gives some charity and medical care, but devotes most energy to community work. In the factory the boss only wants to keep his men contented, to soothe them into accepting wage-cut or speed-up, and to forestall strikes. The objective result of social center work is more important. It does not merely soothe one group of workers, but trains a whole proletarian neighborhood to rely on it for its social life. It is no accident, either, that many social workers are quite "liberal." Such a policy is wise, for hard-boiled reactionaries cannot win the trust of the workers. It is worth while for the boss to finance the work for years, to build up the connections and the good-will of the men, women and children, so that in a crisis the machinery and friendship can be used to damp the workers' zeal.

Even Leah Morton, who misses many glaring facts, notes several times the minute control exercised by the wealthy, conservative Board over the work it finances. She does not touch on one of the most significant

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phases of social work, the source of the money which supports it. From the wealth which the capitalist squeezes every day from the workers, he gives back a tiny part in the form of charity. Thus we have the spectacle of the Julius Rosenwald family, whose mail order house sends hundreds of its underpaid girls into the streets, contributing heavily to a Chicago clinic for venereal diseases. A dealer for whom I have worked, a man who makes enormous profits from high-priced milk, is a regular contributor to summer milk-and-ice funds for children. Although the paradox is not always as obvious as this, it is universally true that the givers of charity are ministering to a condition for which their own profit-system is responsible.

An ironic worker has the following story to tell about the origin of charity-work: A savage walking in the woods with his dog became hungry. He cut off the dog's tail, cooked and ate it, and then, out of kindness and a desire to quiet the animal, gave the dog the bone to chew. This man, says my fellow-worker, was the pattern for all the social workers and charity givers who have followed him!

P. H.

She Stops a Revolution

Comrade Jill. By Herbert Adams. J. B. Lippincott Co. Philadelphia.

The general strike scared the liver out of the British "better classes" and they are hysterically preaching pacifism and constitutionalism in sermons, essays, and now in fiction! The novel "Comrade Jill" is a howling farce — the author knows nothing of communists and the labor movement, and his descriptions of us and our ways are delicious. He does not give real names, but Saklatvala and Baldwin are easily recognized. Of Baldwin he says: "Occasional quiet communion with his beloved pigs had deepened his philosophy"—and he means no irony! The story brings in three groups — Jill, the daughter of an English publisher of the Hearst type, an English Billy Sunday, and the Communist Central Executive Committee. His descriptions of the CEC sessions are side-splitting.

As the first step to an armed uprising the communists kidnap Jill and hold her in a madhouse. All is ready for the coup (they have one thousand rifles!) and the CEC is to give orders to the London membership meeting. At the last moment Jill escapes and she and Billy Sunday reach the platform and warn the members that this communist movement "does not aim to help the workers but to wreck English civilization." The Party members rise and march out singing:

Back to Jesus, Back to God
On the path our fathers trod,

and the revolution is over!

The British bourgeoisie has good reason to fear the Communists. Our party membership increased from 3,000 in May, 1926, to nearly 10,000 four months later and has been growing steadily since. The lead the party set in the last strike proved correct. The reformist leadership has no answer adequate to the sharpening class struggle with its trade union bill outlawing strikes and its "reform" of the house of lords and the growing war danger. Enormous masses of workers now look to the communists for leadership.

K. M.

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A Marx Afraid of Revolution

The Madonna of the Barricades. By J. St. Loe Strachey. Harcourt Brace and Co., New York.

This book is not bad as a yarn of Paris barricade fighting in June, 1848, but its picture of historical and social facts is so biased and false, that it is worthless. A young English noble falls in love with a fair damsel, a member of the Carbonari, one of the Italian societies organized to fight Austrian tyranny. Strachey pictures these sectarians as comic opera clowns, playing at revolution. They were in fact honest and serious men, who did a very creditable task in freeing Italy. The young couple go to Paris where the Carbonari, a small Italian sect, organizes and leads the insurrection of June, 1848! The rest of the book covers the pangs and ecstasies of the aristocratic lovers.

There is very little material in English on what an armed working class rising really is. Jim Connolly, the Irish communist, and Engels, both devoted much space to proletarian military art — but their articles are almost unobtainable. Lissagaray's "Paris Commune" is of value and can be obtained.

In view of this poverty of material, even a passable novel would be welcome—but this is too crude. The book is written to slander Marx and the revolutionary workers. Strachey describes Marx as scared green at the thought of a rising, and bleating for Scotland Yard protection! For him the essence of a workers' rising is an ocean of blood — he describes an orgy of murder, torture and mutilation and draws the conclusion: "How foolish! If they had not been so violent, they would have been allowed to found their Socialist State and try their experiments." The book is a grotesque caricature and is evidently written wholly without preparatory research. The hero reads the Communist Manifesto in August, 1847. It was first published in German in February, 1848, and no English edition appeared until October, 1850, when the "Red Republican", a paper supported by the Fraternal Democrats, the Chartists, and the radical bourgeoisie, began to publish it serially. The hero visits and terrifies Marx in London in the middle of June, 1848. Marx was deported from Brussels in March and managed to reach Cologne in May. All through June he was editing the splendid Neue Rheinische Zeitung and directing the work of the Communists. He was not in England at all during that year. Strachey distorts history when he describes the splendid staff work and equipment of the Paris fighters, and also in his charges of cruelty and butchery. They fought without leaders, without a common plan, most of them without arms. And we have records of many proletarian fights, and one universal factor is the contrast between th emercy of the workers and the brutal savagery of the Whites. (This mercy has invariably proved to be a costly blunder; we record it as a historical fact, not as a cause for pride.)

This book is one more sympton of the mastering desire of the English bourgeoisie to preach patience, submission and pacifism to their workers.

K. M.

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The State Budget of the U. S. S. R. 1926-1927

By M. BRONSKY.

THE state budget of the Soviet Union bears the impress of the transitional period, through which the country is passing, as well as other tasks which confront the country in overcoming its economic backwardness as revealed in the inadequate development of large-scale industry and the backwardness of agriculture. In this respect the budget of the Soviet Union differs considerably from the budgets of capitalist states. The budget of the U. S. S. R. to a considerable degree represents an instrument for re-distributing the national revenues in the direction of socializing national economy rather than an instrument for distributing resources for the maintenance of the apparatus of the state.

The estimates for 1926-27 amount to 4,760,600,000 roubles, and show an increase of 21.4% as compared with the budget of the previous year.*

The increase of the budget exceeds the increase in the other indices of national economy. For example, the estimated increase in the output of agriculture for 1926-27 is 5% and for industry 15-18%.

The revenues from taxation for 1926-27 are estimated to increase by 26.8%, and to amount to 2,217,500,000 roubles, i. e., 74.4% of the total revenues, (excluding the revenues of the Commissariat for Ways and Communications, and the Commissariat for Posts and Telegraphs which are circulating revenues, i. e., are used up entirely for covering expenses). The estimated increase will take place principally in the revenues from indirect taxes. These taxes will be increased by 36.8% as compared with the revenues from this category of taxes last year, and are estimated to produce the sum of 1,130,000,000 roubles. This is due to the increased sales of excisable articles on the one hand, and the increased excise duties on more costly articles on the other.

It would appear at first sight that the steady increase in the proportion of indirect taxes that has been observed during the past few years, is incompatible with the general principles of Soviet policy, but this charge can be refuted by the following.

First of all the distinctive features of the Soviet social system should be taken into account. The general levelling of incomes brought about by the revolution and the economic policy conducted by the Soviet government directed towards restricting the growth of private capital accumulations, renders it impossible to base the budget principally on direct taxes. The most important sources of income of capitalists, which in the ordinary way, would be taxed by a direct progressive income tax, namely, the large industries, the large farms and the banks, are in the hands of the government, and the income from these sources in the budget come under the heading of revenues from state enterprises and properties, and also under

*The budget is drawn up by the People's Commissariat for Finance and is submitted to the Council of People's Commissaries and the Central Executive Committee of the U. S. S. R. for endorsement.

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non-tax revenues. On the other hand, by increasing excise duties on more costly commodities the burden of indirect taxation is transferred to a greater extent to the classes best able to bear them.

The proportion of revenues from direct taxes in this year's budget is increased by 22.3% and is estimated to amount to 764,200,000 roubles. The increase will take place largely in the Single Agricultural Tax owing to the increase in the rate of taxation this year of the higher categories in the progressive scale, and in view also of the increase of incomes from peasant farming generally. An increase is estimated also from the income and business taxes due to the recent reforms in taxation.

The increased rate of taxation in the higher categories of direct taxpayers will make it possible to reach the incomes of those wealthier classes of the population who evade indirect taxation.

In comparing the **burden of taxation** in the Soviet Union with the principal countries of Western Europe and America, it will be found that while taxes in the U. S. S. R. represent only 10.96% of the national income, in France they represent 20.0%, in England 22%, in Germany 22.7%, and only the United States approximates to the position of the U. S. S. R. in this respect; there the proportion is 11.06%.

The total revenues from sources **other than taxation** in 1926-27 is estimated to amount to 602,700,000 roubles (not including the circulating revenues of the Commissariat for Ways and Communications and the Commissariat for Posts and Telegraphs). This represents an increase of 14% as compared with last year. The fact that this item of revenue has not increased in the same proportion as other items of the budget is due to a diminution in the revenues from forests—9.6%. The other items—state industries, trade and banks on the contrary, show a considerable increase —53.6% and their proportion to the whole of non-tax revenues has increased from 31.9% to 42.9%. Consequently revenues from industry, trade, and the banks of the U. S. S. R. are beginning to occupy an important place in the budget.

In analyzing the expenditure side of the budget we will deal first of all with the expenditure for **administrative purposes**, which in 1926-27 is expected to be increased by 87,000,000 roubles —representing 13.9% of total expenditure. This increase is due principally to the increase of expenditure of the culture and social group of Commissariats (education and public health) and of the Commissariat for Agriculture. On the other hand purely administrative departments show an estimated decrease of expenditure of from 15-20%, which is due to the "regime of economy" introduced by the government.

Expenses for national defense show a decrease of 15.4% of the total budget of expenditure in 1925-26 to 14.7% estimated for 1926-27. It should be observed that in 1913 this item represented 25.8% of the total budget of expenditure. Thus compared with pre-war times, expenditures on the army has been reduced by more than half. The total expenditure estimated in the present budget representing 47% of the expenditure in 1913.

It would be interesting, in this connection, to quote the figures indicating the proportion of expenditure on armaments in the budgets of other states. For example, in the U. S. A. it represents 19.1% of total national ex-

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penditures; in Great Britain 15.1%, Japan 22.5%, Poland 33.4%. Compare this with the U. S. S. R. in the budget of which, as has been stated already, the proportion is 14.7%.

The above quoted figures should once and for all expose the hypocrisy of the "solemn" declarations of the capitalist states concerning their "peace policy" and "universal disarmament" on the one hand, and their cries about the "Red imperialism" of the Soviet Union on the other.

Expenditure on **financing socialized national economy** is increased considerably in the present budget (54.2%). The fact that the old basic capital of industry has become worn out brings up the problem of new capital investments. The prerequisite for the further development of industry is the extension of basic capital. The budget under review reflects the problem of industrialization which now faces the union. Appropriations for industry in the budget have been increased from 199,500,000 roubles to 493,900,000, i. e., by 137.5%, whereas the budget as a whole has been increased by only 21.4%. The aforementioned sum does not include considerable appropriations that have been made for railway construction. Outlays for electrification show an increase of 20,900,000 roubles and during the financial year will mount to 90,000,000 roubles. Expenditure for the needs of agriculture will amount to 145,000,000 roubles.

Expenditure in connection with **state debts** shows a considerable decrease compared with last year—from 123,000,000 roubles to 97,000,000 roubles. At the same time revenues from loans are estimated to increase by 40,000,000 roubles.

The task of planning, and the need to make provision against possible economic crises and disasters from natural causes, makes it necessary to establish a special state reserve. This item is included in the expenditure side of the budget and represents 118,000,000 roubles.

In conclusion, another extremely encouraging feature should be mentioned in connection with the budget. While in previous years the only budget of the various Republics forming the Union that did not show a deficit was that of the R. S. F. S. R. this year, three Republics, namely, Ukraine, Russia and White Russia, are able to show balanced budgets.

The budgets of the outlying Republics—Usbekistan and Turkmanistan will show a deficit of 46,000,000 roubles which is entirely covered by the revenues of the Union budget.

One of the principal features of the economic policy of the czarist government was the exhaustive exploitation of the outlying national territories. The October Revolution abolished the system and the Soviet government set itself the task of economically reviving and developing the young Republics. This is sufficiently illustrated by the fact that the burden of taxation in the Usbekistan Republic represents only 33.1% of the taxation borne by the population of this region in 1913.

The desire to stimulate the economic development of the backward autonomous Republics is part of the real national policy conducted by the Soviet government, and represents one of the principal tasks the Soviet Union has set itself. This is fully reflected in the Soviet Union budget.

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